THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Our "Ulterior" Motive!

China's Needs And Prospects

By Charles Dailey

Complete Story of the Soviet Oil Squabble

By Arthur B. Darling

Future of the Chinese Revolution

By Paul Blanchard

Dr. Wu Asks Japan's Intentions

密勒氏評論報

SATURDAY, OCTOBER 15, 1927

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Vol. XLII No. 7.

Millard Publishing Co., No. 4 Avenue Edward VII, Shanghai, China 上海愛多亞路四號密勒氏評論報館

42-221

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— and nothing but the best!

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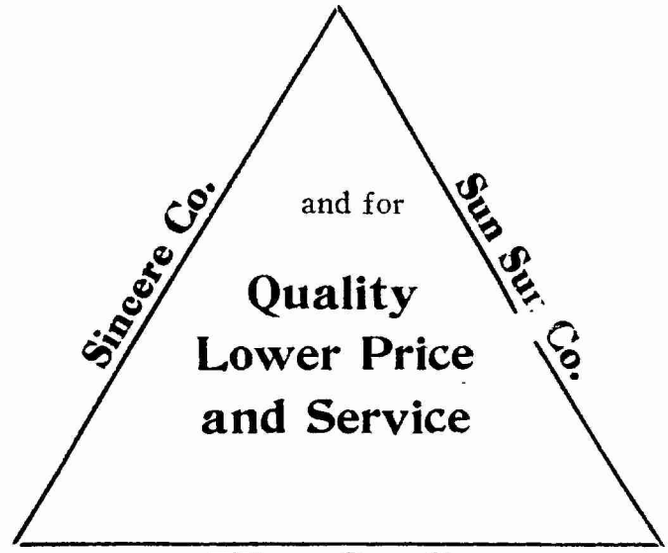
42-222

The Department Stores Deserve Their Popularity!



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(Incorporated in Hongkong)

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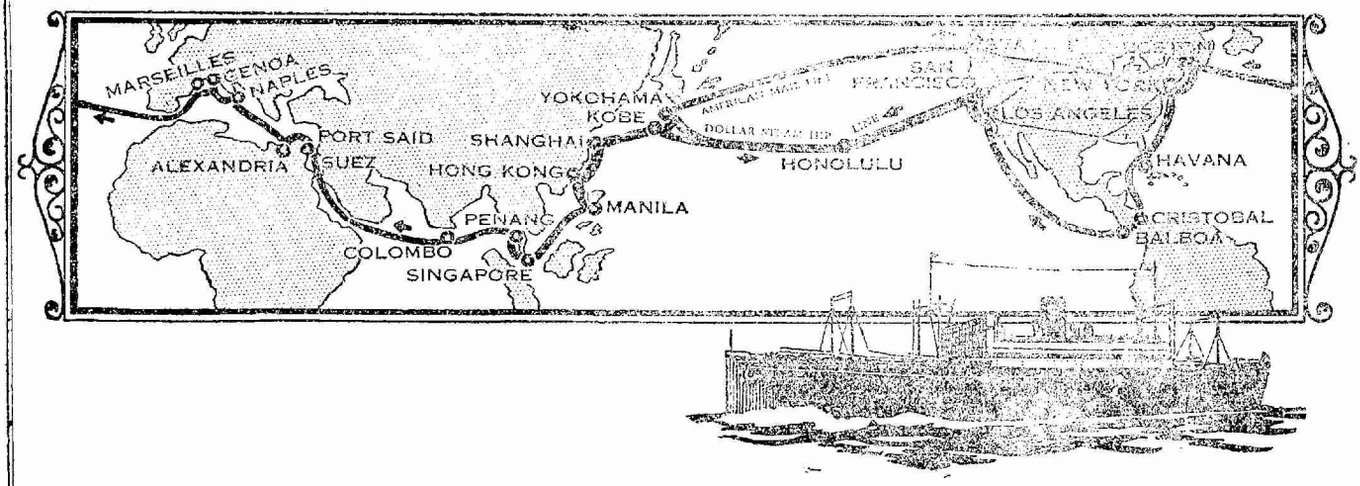

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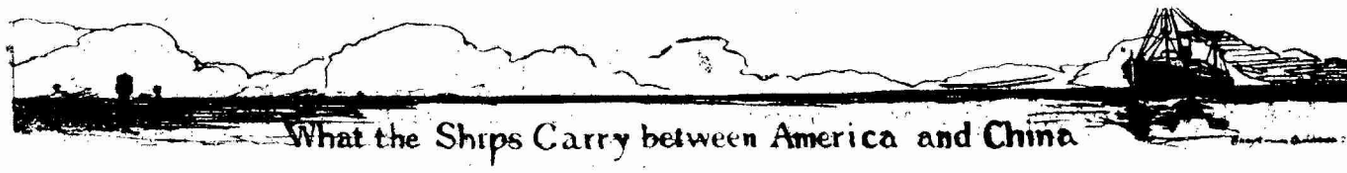

What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds. Bls.—Bales; Pcs.—Pieces; Mls—thousands; Hk Tls.—Haikwan Tls., Oct. Customs Rate Tls. 1.45 equal Gold $1

TEUCER, September 6.

From U. S. A.

Steel Sheets	Pls.	23
,, Galvanized: Wire	,,	270
Carbon, Black	,,	141
Grease	,,	14
Lampwick	,,	9
Soda, Caustic	,,	525
Twine	,,	8
Wax, Paraffin	,,	407
Oil, Lubricating, Mineral	Galls.	19,376
,, Transformer	,,	3,555

PRESIDENT HARRISON,

September 8.

To New Bedford

Silk, Waste:		
Shanghai	Bls. 38 Pls.	112.60

To Boston.

Silk, Waste:		
Shanghai	Bls. 57 ,,	191.13
Other Ports	Bls. 16 ,,	51.67
Tea, Green:		
Gunpowder, Ningpo	,,	130
Egg, Yolk, Dried	,,	15
Hides, Cow	,,	148

To New York.

Silk, Raw, Filature:		
Wild, other Ports		
Bls. 50	Pls.	51.18
Tea, Green:		
Gunpowder, other Ports	,,	16
Young Hyson, other Ports	,,	266
Hyson, other Ports	,,	50
Antimony, Regulus	,,	840
Bristles	,,	338
Egg Yolk, Dried	,,	84
Hides, Cow	,,	270
Intestines, Pig's	,,	56
Rhubarb	,,	25

Foreign Goods.

Oil, Camphor	,,	45

PRESIDENT LINCOLN,

September 9.

From U. S. A.

Asbestos Cement	Pls.	79
Asparagus	,,	10
Butter	,,	7
Cheese	,,	4
Woollen Yarn	,,	2
Bicho de Mar, Black, not Spiked	,,	5
Compoy	,,	3
Fish, Dried	,,	5
Oil, Coconut	,,	15
Paper, Printing	,,	82
Sugar, Refined	,,	680
Cigarettes	Mille.	750
Cotton Thread, on Spools, 6-cord, 200 yd	Gross	45

Chinese Goods.

Beans	Pls.	337
Cigarettes	,,	141
Fungus, Black	,,	10
Tin Slabs	,,	7
,, Compound	,,	5
Flour, Wheat	,,	441

PRESIDENT JEFFERSON,

September 12.

From Manila.

Betelnut Husk	Pls.	32
Bicho de Mar:		
Black, not Spiked	,,	12
White	,,	8
Buntal Fibre	,,	8
Lard	,,	5
Rope	,,	12

JAPANESE PRINCE,

September 13.

from U. S. A.

Steel Pipes	Pls.	189
Steel Galvanized: Pipes	,,	977
Tinned Plates, Plain	,,	2,520
Ammonia, Sulphate of	,,	840
Cotton Clothing, Raised	,,	3
Corn Starch Powder	,,	473
Indigo Paste, Artificial, 20 per cent.	,,	159
Lampwick	,,	5
Petrolatum	,,	73
Soap Powder	,,	47
Sulphur, Black	,,	1,000
Tobacco, Leaf	,,	2,918
Shoes, Rubber	Pairs	360
Turpentine, Vegetable	Galls.	833
Machinery	Hk. Tls.	13,035
Dyes, Aniline Pkgs. 501	Hk Tls.	12,884

PACIFIC MARU, Sept. 14.

From U. S. A.

Steel Hoops, Used	Pls.	199
Steel, Galvanized:		
Wire Rope, Old	,,	34
Wire Shorts	,,	195
Gasoline, in Cases	Galls.	50,000
Oil, Kerosene, in bulk	,,	21,261
,, ,, ,, Cases	,,	688,400

PRESIDENT CLEVELAND,

September 15.

from U. S. A.

Tinned Plates, Plain	Pls.	420
Lead, Pipes	,,	368
,, Sheets	,,	271
Apples, Fresh	,,	5
Flour, Wheat	,,	147
Hams	,,	4
Ink, Printing	,,	8
Motor-cars	Pcs.	14
Motor-trucks	,,	4
Timber:		
Softwood, Clear Sup. ft.		26,088
Softwood, Merchantable Sup. ft.		53,205

PRESIDENT GRANT,

September 15.

To San Francisco.

Tea, Green:		
Scented, Shanghai	Pls.	19
Books, Printed	,,	13
Brassware	,,	148
Feathers, Goose	,,	35
Chinaware, Fine	,,	8
Intestines, Pigs', Salted	,,	40
Oil, Groundnut	,,	65
,, Wood	,,	9,225

To New York.

Silk, Raw, Steam Filature:		
White, Shanghai Bls. 10	Pls.	10.08
White, other Ports Bls. 10	,,	10.00
Silk, Raw, Re-reeled:		
White, other Ports Bls. 28	,,	27.98
Silk Raw, Filature:		
Wild, other Ports Bls. 30	,,	30.52
Silk, Piece Goods	,,	3.97
Brassware	,,	114
Chinaware, Fine	,,	6
Hog Casings	,,	24
Intestines, Pig's, Salted	,,	40
Carpets	Pcs.	150
Skins, Sheep, Tanned	,,	850

To Los Angeles.

Silk Piece Goods	Pls.	1.28
Chinaware, Fine	,,	6

To Boston.

Silk Cocoons, Pierced:		
Shanghai	Bls. 1 Pls.	3.31
Other Ports	Bls. 2 ,,	7.14
Silk, Refuse:		
Shanghai	Bls. 9 ,,	28.57

To Philadelphia.

Bristles	,,	50

To Houston.

Hair, Human	,,	172

To Hoboken.

Silk, Raw, Steam Filature: White, Shanghai Bls. 15	Pls.	14.95

To Cincinnati.

Tea, Green:		
Gunpowder, other Ports	,,	308
Young Hyson, other Ports	,,	23

To Baltimore.

Tea, Green:		
Gunpowder, other Ports	,,	464
Hyson, other Ports	,,	161
Young Hyson, other Ports	,,	5

To White Hall.

Silk, Refuse:		
Shanghai	Bls. 14 Pls.	44.68

To Barranquilla Colombia.

Silk, Pongees, Shantung	Pls.	10.31

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Notwithstanding the heavy reactions both in Mid-Americans and Indians that have been experienced during the past week, prices on the domestic growth were maintained on the same level as that ruling during the previous period, and which was due mainly to the heavy buying on the part of Japanese exporters, as well as to the general apprehension of deterioration of the cotton in the fields which was prevented from being picked by the continued unfavorable weather conditions. Furthermore, it is quite apparent that for the present, spinners cannot have recourse to foreign cotton such as Mid-Americans and Indians owing to wide disparity in prices still existing, and should the rates on the local staple advance or the foreign fibre decline further there is a probability for certain grades of Indian cotton being imported which may relieve the trend of the domestic market.

Having the foregoing in view and referring to our reiterated previous indications, the only deduction to be made therefrom by consumers, is to take advantage of offerings when submitted at more favorable rates.

Yarn:—We have had an easier market during the past week, with prices declined from Tls. 1.50 to Tls. 2.50 as compared with last week's level. In all some 5000 to 6000 bales of local spinnings have been booked for export during the week under review.

Liverpool:—

American-Middling	11.14
American-Middling last reported	11.83
Tone of the Market, *Easier*	

New York Market:—

Price of Mid-Amer.	21.30 Spot.
	20.99 Oct.
	21.05 Dec.
	21.28 Jan.
	21.48 Mar.
	21.40 May.

Tone of the market—*Easier*

Indian Market:—

Fully Good Bengal, D./J.	352
Fine Oomra, July	394
Fully Good Broach, J./A.	427

Tone of the market—*Easier*

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	39.20
Shanghai, Spot	39.00
M. Ginned, Spot	39.25
Shensi, No. 1 Spot	40.00
Ningpo. Spot, Exwharf.	34.60

Tone of the market—*Steady*

In the United States Court for China

ROBERT MISHLER, Plaintiff,
vs.
MARY ELIZABETH MISHLER, Defendant.

Cause No. 2896
Civil No. 1236

SUMMONS.

Filed at Shanghai, China, September 20, 1927.
L. T. KENAKE
Assistant Clerk.

The President of the United States of America

To the United States Marshal for China and his Deputies—

GREETING:

You are hereby commanded to serve this Summons and a copy of the complaint in the above entitled action upon the defendant

MARY ELIZABETH MISHLER

and to notify her to be and to appear before this Court on or before the fortieth day after service hereof to file her written answer on oath.

(SEAL)

WITNESS THE HONORABLE MILTON D. PURDY, Judge of the United States Court for China, Shanghai, China, September 20, 1927.

L. T. Kenake
Asst. Clerk.

Excerpt from Regulations, Section 8: On proof of due notice judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

In the United States Court for China

ROBERT MISHLER, Plaintiff,
vs.
MARY ELIZABETH MISHLER, Defendant.

Cause No. 2896
Civil No. 1236

ORDER.

Filed at Shanghai, China, September 20, 1927.

L. T. KENAKE
Assistant Clerk.

ORDER.

The object of this suit is an action for divorce.

On motion of the plaintiff on this 22nd day of September, 1927, it is ordered that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays accruing after the day of the last publication of this order; otherwise the cause will be proceeded with as in case of default.

MILTON D. PURDY
Judge,
United States Court for China.

Dated: Shanghai, September 20, 1927.

(Continued from page 194)

foreign office calls of tea party to Diplomatic Corps on account of war situation.

October 9—Japanese *Toho* report from Peking states that war between Chang Tso-ling and Shansi is developing in favor of Fengtien—All passenger cars on Peking-Mukden line being concentrated at Tientsin in order to relieve congestion of tracks in Peking area by troop trains-Through train service between Peking and Mukden reduced to one train daily—Japanese report from Tientsin states that Tuan Chi-jui (former premier under Feng Yu-hsiang) faction is working for Yen Hsi-shan and that Tientsin is full of rumors and propaganda and that considerable uncertainty prevails—Fengtien offers prize of $50,000 to troops capturing town of Shihchiachuang on Peking-Hankow Railway—*Toho* claims town on Peking-Suiyuan line, Hsuanhua, recaptured from Shansi troops—*Reuter* report from Peking states that Shansi prisoners claim that Feng Yu-hsiang has 'double-crossed' Yen Hsi-shan—Wang Ching-wei, Sun Fo, C. C. Wu and Gen. Hsu Chung-chi telegraph Gen. Tang Shen-tse at Hankow stating they are planning trip to Hankow for the purpose of discussing cooperation and also trying to settle controversy in Anhwei province, which Gen. Tang has has practically taken over from Nanking General Ho Yin-chin—*Toho* report from Peking alleges Yen Hsi-shan has proposed a peace conference with Chang Tso-ling on the basis that Marshal Chang would return to Mukden, that a 'committee' form Government be created in Peking, that Marshal Tuan Chi-jui be made chairman of the committee, and that Marshal Chang be made a member of the committee; Chang however declines alleged offer and announces determination to defeat Yen Hsi-shan—Military conference in Tsinanfu participated in by Chang Chung-chang, Sun Chuan-fang and Chu Yu-puh decides that Sun shall command sector on Tientsin-Pukow line in northern Kiangsu and Chu Yu-puh and Chang Chung-chang will control western Shantung and advance into Honan—Tang Shen-tse returns to Hankow from Changsha—Feng Yu-hsiang advanced two divisions to Huiteh in eastern Honan from Kaifeng—Peking report alleges that Tang Shen-tse at Hankow is planning to cooperate with Fengtien by attacking Feng Yu-hsiang in rear—Sino-Japanese technical committee for revision of commercial treaty holds conference in Peking—Peking Diplomatic Corps remains calm, according to *Toho* report, although plans are being effected for protecting lives and property of foreigners—*Kuo Min* report states that Gen. Han Lin-chun of Fengtien party is contemplating rebellion against Chang Tso-ling—Sun Fo, Minister of Finance, issues statement through *Kuo Min* that Nantionalists intend to observe all debts, prevent corruption, and reorganize finance—Quo Tai-chi issues invitations for reception at Bureau of Foreign Affairs for October 10 holiday—Nanking report states that Chang Tso-ling has ordered a new 'generalissimo's' uniform of 'Pure gold thread' at a cost of $80,000, uniform being manufactured in Tokyo—Nationalist Government issues warrant for arrest of Wu Pei-fu—Chang Tso-ling suppresses *Peking Shimbun*, Japanese newspaper in Peking—Military conference in Nanking decides to dispatch a delegate to Japan to attend military manoeuvers—*Kuo Wen* report from Kiukiang states that Wang Ching-wei will not join the Nanking Government but will go to Canton.

October 10-11—Peking report by *Toho* states that Fengtien troops have captured Tingchow on Peking-Hankow Railway forcing Shansi troops to retreat westward into mountainous section—*Toho* reports that Chihli-Shantung troops have captured Shichiachuang, but unconfirmed—Part of 11th army under Gen. Chen Ming-shu enters Foochow; reported that this is beginning of a drive against Canton—Nanking leaders including Sun Fo, C. C. Wu and others hold conference with Ku Meng-yu, Wang Ching-wei and Tang Shen-tse at Hankow, but results unknown—Bomb explosion at republic anniversary celebration at Changsha resulting in wounding of several persons; alleged work of communists—100 Shansi troops appear near Mentoukou in attempt to attack Peking, but repulsed—Chiang Kai-shek announces intentions of spending month in Tokyo—*Toho* report from Peking states that Shansi troops are retreating all along the Kin-Han front—Chang Kin-chiang, former chairman of ex-British Concession in Hankow arrested in Nanking charged with embezzlement—Tang Shen-tse orders Russian Consul at Changsha to leave Hunan immediately—Six trainloads of ammunition from Mukden arrive at Tientsin for Fengtien army—Chang Tso-ling offers prize of $50,000 for capture of Shiachiachuang—Chang Tso-ling claims capture of 10,000 Shansi prisoners—Chang Tso-ling orders investigation of activities of Anfu Club alleging the organization is plotting to install Tuan Chi-jui in the presidency in cooperation with Feng Yu-hsiang—Feng Yu-hsiang dispatches two divisions to northern Honan to assist Shansi troops against Fengtien.

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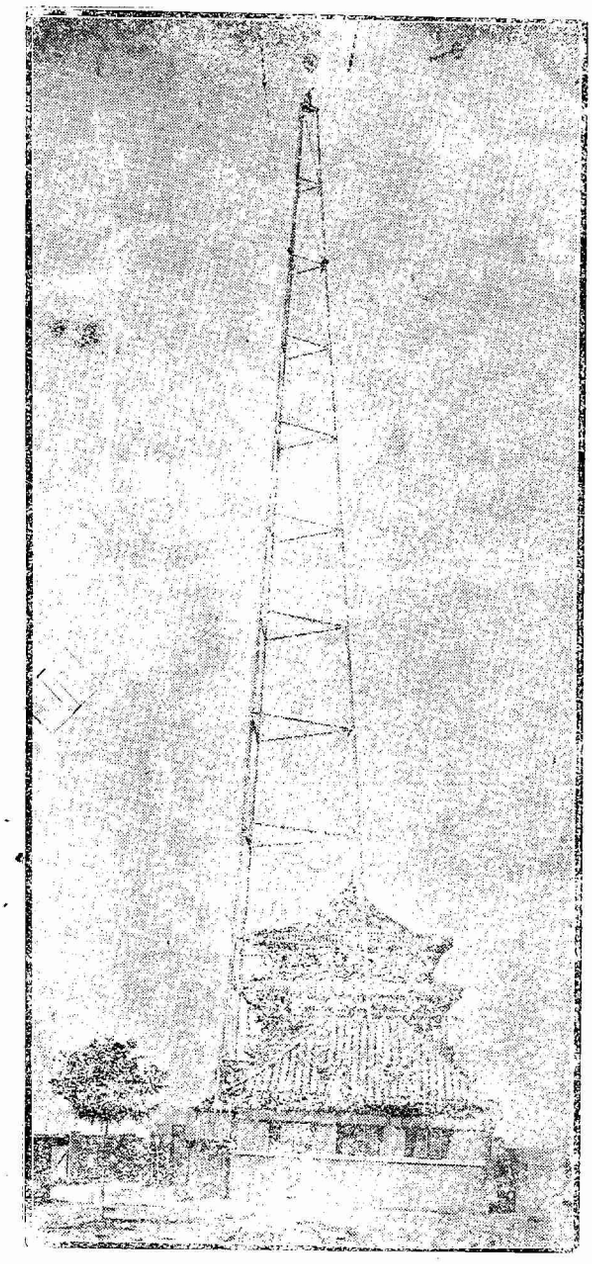

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密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

中華國成於斯報紙之爭立國獨斯於成國華中

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J. J. Underwood—Correspondent
Colorado Building, Washington, D.C.

A CASE OF PERNICIOUS INTERFERENCE!

ON OCTOBER 1, the *North-China Daily News*, the 'official' British organ in Shanghai published an interview with Gen. Ho Yin-chin, one of the leading generals of the Nanking Government, in the course of which the representative of the 'official' organ took it upon himself to inform General Ho that "The trouble in the International Settlement is that our police lack the support of the Provisional Court. This court is making it increasingly difficult for the police to secure sentences." General Ho apparently was impressed by this information for according to the interview he stated, "I had never heard of that," and immediately took out his note book and made a record of the information for the purpose of bringing the matter to the attention of the Nationalist Government in order that an investigation might be made. Apparently as a direct result of this uncalled for interference, and other similar attacks on the court the Nationalist Government has dismissed from office Chief Justice Loo Hsing-yuan, the president of the Provisional Court, who is rated as one of the best jurists in China. The exact charge which was brought against Judge Loo is not known, but according to a report appearing in one of the Chinese newspapers, it was based upon a complaint that the Provisional Court was not doing all that it should do in prosecuting the alleged Communists in the Settlement. The representative of the *North-China Daily News* in his interview with Gen. Ho apparently emphasized this point for General Ho, supposedly in response to a statement by the newspaper's representative said, "There must be no minimizing the Communist danger. . . ."

TO CHARGE Judge Loo or any other member of the Provisional Court with being in league with the Communists is of course the worst sort of piffle, but for a foreign newspaper in Shanghai to go out of its way to pass such misinformation on to an influential Chinese general is a most serious matter and constitutes a serious case of interference in Chinese affairs. The editor of the British newspaper apparently now recognizes the damage which it has caused for the issue of the paper for October 10 contains an apology to Judge Loo, the statement being made that the charges "were never aimed at Chief Justice Loo who has been regarded as the best jurist on the Provisional Court bench, far superior to many of the other judges." Of course, it is now too late to rectify the damage which has been done to the character and reputation of Judge Loo Hsing-yuan and incidentally to the prestige of the entire Court, which despite adverse political conditions, has

generally made a good record since its creation in place of the old International Mixed Court.

THE Provisional Court, which is a purely Chinese institution uncontrolled by foreigners, has been subjected to the worst kind of underhanded attacks since it came into being, most of these attacks coming from the Shanghai Municipal Police, and indirectly, from certain foreign lawyers who have suffered a loss of legal practice since the passing of the Mixed Court, the majority of the legal work in the Provisional Court now going to the Chinese attorneys. Under the old Mixed Court, the final say in decisions rested with the foreign assessors, hence it was possible for members of the Shanghai Police Department to obtain practically any kind of sentence which they desired. As an example of this we cite the following incident which happened about three years ago: A foreigner reported the theft of a fur rug from a motor car. In due course the owner of the car was notified that the thief had been apprehended and would appear before the Mixed Court on a certain day. The foreigner appeared at court to testify but before he had an opportunity to testify, he found a number of other foreigners ahead of him all alleging the theft of articles from their cars. It was a busy morning in court so after one or two police inspectors had testified that the coolie in the dock was the guilty party, the Judge sentenced the coolie to three months in jail and expulsion. The foreigner who had lost the fur rug then went to the police inspector and asked why he had not been permitted to testify. The police inspector replied, "Well we weren't sure he got your rug, but we just hung it on him for good measure." This explains the methods which prevailed in the old Mixed Court. Whenever a crime was committed anywhere in the Settlement, the police always brought in an alleged culprit, usually some ignorant coolie, who through third-degree methods was caused to admit his guilt, and in consequence was railroaded to jail. This was the experience in many of the minor cases which came before the Court. The foreign judges, unless the case happened to be an important one, never had time to investigate or go behind the evidence of the police. In consequence, the police dominated the Court and were able to obtain practically any sort of conviction they desired. This sort of situation was of course, not peculiar to Shanghai. It exists in police administrations all over the world, but the situation was worse here because of the racial elements involved, a matter which Justice Johnson of the Philippine Supreme Court emphasized in his investigation and ensuing report on the May 30 incidents of 1925. Whenever a crime is committed, the police always arrest somebody, and unless the prisoner was in a position to employ legal talent to defend himself, he simply was "out of luck," and in nine cases out of ten was railroaded to jail.

THE new Provisional Court has attempted to correct this evil which existed under the old Mixed Court and in consequence has come into conflict with the local police administration. One of the officials of the Provisional Court, in a conversation with the writer of these paragraphs recently emphasized this point. He said, "Our trouble with the Shanghai Police Department is due purely to the fact that the Court is trying to find out to its own satisfaction whether every prisoner brought in by the Shanghai police is guilty of the offense charged. We do not accept the word of the Police that every Chinese brought before the Court is guilty. The Police naturally want to prove their efficiency by arresting somebody and their methods are not always above question. We have been trying in the Provisional Court to get at the bottom of every case brought in and do not accept the word of the police that every man they bring in is guilty of the offense charged." This statement by one of the responsible officials of the court hits at the real foundation of the propaganda which has been leveled at the Provisional Court since its establishment. The propaganda, as stated previously, has originated with the police and has been spread chiefly by the 'official' *North-China Daily News*, which seems to be is trying to break down the Court apparently in order that the old Mixed Court might be brought back into existence. There have naturally been abuses in the new Provisional Court due to its newness and to inexperience on the part of some of the judges, and also to interference with the functions of the Court on the part of local militarists. For these reasons foreigners in Shanghai should work to strengthen the Court rather than break down its prestige through underhanded and destructive criticism—such as we called attention to in the opening paragraph of this discussion. In every civilized country in the world the courts are protected against this sort of underhanded intrigue and destructive criticism, but here in Shanghai, the *North-China Daily News*, hiding behind extraterritorial protection, has been conducting a campaign, the evident purpose of which is to destroy the new Chinese court. The *North-China Daily News* for obvious reasons would not think of attacking any of the foreign courts here, in many of which serious abuses exist, but it unhesitatingly tries to undermine and discredit the Chinese Court knowing of course that the Chinese are practically powerless to protect themselves so long as extraterritoriality exists.

OUR "ULTERIOR" MOTIVE!

IN *The Review* for October 1 there appeared an editorial discussion of the growing crime situation in Shanghai, in the course of which attention was called to certain well-known abuses which exist in the Shanghai Police Department. A few days following the appearance of this editorial, the Japanese Residents Association of Shanghai held a meeting and passed certain resolutions condemning police methods in Shanghai. One of the resolutions passed by the Japanese residents used the following words: *"the ridiculous policy of the Shanghai Municipal Council which is trying to govern a modern city with 75-year old laws...we appeal to the Council to bring about drastic reforms in all divisions of the Police Department, which for many years has been drifting into corruption."* The Japanese, at the time of the passage of this resolution, were laboring under rather strong excitement owing to the arrest of some of the Japanese Marine patrols by the Shanghai Municipal police. This accounts for the strong and rather untempered language, but the Japanese nevertheless were on the right track when they demanded a reorganization of the Shanghai Police Department, which, as the Japanese declared, is still being operated under ancient regulations which have no place in the modern city of Shanghai.

WHENEVER anyone criticises any branch of the Shanghai Municipal Government, he is always charged with "ulterior" motives. Therefore *The Review* was not surprised to read in one of the local British newspapers, *The Times*, an anonymous letter, apparently written by a member of the staff, in collaboration with someone from the Police Department, but signed by "White American" which charged the editor of *The Review* with having "ulterior" motives and demanding an explanation for

the editorial criticising the Shanghai Police Department. For those who may have failed to read the previous editorial on this subject, we present the following summary:

1—The Shanghai Police Department is top-heavy with foreigners, most, of them being of one nationality.

2—That the Shanghai Police Department has become a little bureaucracy which has forgotten that the police are the servants of the public.

3—That politics, social considerations and favoritism have more influence in the selection of the men for the top positions than considerations of efficiency and fitness for the service.

4—That the Municipality permits the Police to operate semi-public bars or canteens in connection with several of the police stations which have a degenerating effect upon the personnel, causing men to frequently go on duty while under the influence of intoxicants.

5—That the Police Department, in recent years has employed a large number of White Russian refugees, many of whom are political agitators or counter-revolutionaries, which unfits them for service to the best interests of this community.

6—That many of the activities of the Shanghai Police Department are concerned with espionage work and propaganda activities connected with European politics or British Empire politics with which Shanghai as an international communinty on Chinese soil, has little interest and which is detrimental to the best interests of this community.

7—That the Shanghai Police Department, which comes into active contact with the Chinese public, should, because of the racial element involved, be the most efficient and well-managed branch of the local government, which it assuredly is not.

THE FOREGOING constitute what we termed the "high-lights" of what is wrong with the police administration of Shanghai, and parenthetically we remark that since the appearance of this editorial *The Review* has been presented with considerable additional evidence supporting our position, which we may make public in case such becomes necessary. We might also remark in this connection that it is easy to obtain evidence regarding the inefficiencies and mis-management which exists in the Shanghai Police Department by talking to the members of the force themselves. The men in the under-positions who are poorly paid and discriminated against know what is wrong with the Shanghai Police Department and do not hesitate to express themselves when occasion offers. However, we do not ask the public to take our word for it: we have the best evidence in the world in the official report of Judge E. Finley Johnson, chief justice of the Philippine Supreme Court who conducted the hearings in respect to the May 30 incident of 1925. Briefly, Justice Johnson's report called attention to the inefficient methods and organization of the police department and to the fact that executives frequently do not attend to business and cannot be found in cases of emergency, a matter which was again called to public attention recently by one of the local newspapers which explained to its readers why it was impossible to obtain information from the police regarding a local kidnapping and shooting affray which happened in the center of the business district of the city. While Justice Johnson's report dealt mainly with the May 30 incident and underlying causes for Chinese animosity toward the foreigners, it was hoped that the Shanghai Municipal Council would take advantage of the opportunity to effect reforms in the police administration. But aside from the discharge of certain officials (all of whom were paid handsome retiring allowances) practically nothing has been done, except to appoint other men to the vacated positions. The fundamental trouble still exists and apparently will continue to exist until something serious happens which may force the Powers, particularly Japan and America, to step in and drastically compel the adoption of reforms and modernization of this important branch of the municipal government. It is recognized of course that the disturbed political situation prevailing in China has placed a heavy burden upon the local police department, which, in our opinion is all the more cause for reorganization to meet changed conditions. The trouble is, as the Japanese Residents Association pointed out, "due to the attempt to police a modern metropolis with 75-year old regulations and methods".

THERE is no intention here to reflect upon members of the Shanghai Police Department individually. Individually these men rank favorably with policemen in any country from the standpoint of individual bravery and a desire to give service to the public. The trouble is with the organization and system. If we may be accused of having a motive in presenting this criticism, it is based upon the common desire which prevails among right-thinking foreign residents generally that something should be done to improve governmental methods in Shanghai and to end the deadlock which has existed for several years in the matter of Chinese-foreign relations in respect to the administration of the Settlement. The so-called "International" Settlement of Shanghai is really a British Concession. More than 95 percent of the foreign employes of the local municipal government are of British nationality, and all public utilities which depend upon the local government are British with British personnel. Non-British interests, scarcely ever are given consideration in the supplying of materials for Municipal departments and only British subjects are ever employed for responsible positions. There is no criticism of the British for what they have wrought here: rather, they are to be admired for what they have done. But since the "International" Settlement is in reality British, the British Government and the British residents here must take the responsibility for abuses which have grown up and for making reforms which have long been overdue. By adding a few non-British foreigners to the administration and through propaganda, the British have created an impression of the "International" character of the Settlement which is always emphasized when trouble develops, but which never is recognized, except in minor instances, when non-British interests desire to participate in the actual administration of the foreign area. There is little recognition of the fact that conditions have changed since the Settlement was originally established as a British Concession. Other interests, notably the Japanese and Americans, have come in and are constantly increasing in importance while British interests in recent years, have remained stationary. Then in addition to this Chinese interests in recent years have increased to such an extent that the Chinese pay something like 70 or 80 percent of the local taxes. None of these recent developments have been recognized by the administrators of the Settlement who continue to operate the local government on the basis of a purely British Concession. This has brought about a deadlock and a crisis in Sino-foreign relations which is damaging to everyone and particularly to business men who depend upon Chinese goodwill for their livelihood. Whenever a government, whether it is a municipality, a state or a nation, gets into a position where it cannot make adjustments to meet changing conditions that government is in a dangerous situation from the standpoint of future tenure. Therefore, it is the highest form of friendliness to

offer criticism of prevailing conditions to the end that needed adjustments may be made before it is too late. Foreign Governments have sent troops here for protective purposes. There is hope that the administrators of the local government will make needed adjustments while these forces are here, but if the local administrators are unable to make adjustments while the foreign forces are here, then Shanghai must face the prospects of future serious trouble, and of more importance, the prospects of being forced to solve its problems without the assistance of outside protection on the part of the other Powers.

THE CHINESE "FRONTIER" MOVEMENT

FOREIGNERS residing in China who are accustomed to thinking that things just happen without direction, will doubtless be surprised to learn that there is in existence a well-organized movement for the purpose of encouraging Chinese emigration from the densely populated coastal provinces to Manchuria and Mongolia where open spaces exist, land is cheap and opportunity beckons. The movement which has been in existence for some time and has been able to carry on despite adverse political conditions, has been fostered by the Chinese Frontier Association on which Dr. Yu Tinn Hugh is president. In a recent address before a gathering of Chinese and foreigners in Shanghai, Dr. Yu called attention to the fact that there is an economic background for political complications which prevail in the densely populated areas along the coast and along the Yangtsze, due to over-population. According to Dr. Yu the history of China has been a cycle of wars and rebellions, small ones every thirty years and major ones every hundred years, in practically every case the cause being the law of diminishing returns due to over-population with the added complication of periodic floods and droughts. "When periods of order come," said Dr. Yu, "this does not mean that the new rulers are any better than their predecessors, but that sufficient people have been killed off or have died as a result of floods or drought, so that those remaining are able to obtain a living from the available land." The Chinese Frontier Association, which has been in existence in North China for sometime is not extending its activities to the Yangtsze Valley and South China, the purpose being to encourage improvement of agriculture in the densely populated areas and encourage emigration to the open spaces of the North and West. Although not stated, there is also a political significance in the movement due to the instinctive feeling among the Chinese that the only way to hold the "frontier" sections in the North and Northwest, against outside aggression, is to populate them with Chinese. The program of the Association is quite ambitious. It includes educational propaganda through the form of short-courses wherein are explained the methods of farming in the frontier areas and information provided for the purpose of stimulating a desire on the part of the Chinese to populate these areas, which include Mongolia, Turkestan, Tibet and Manchuria. Later on when government support is possible, it is hoped to actually subsidize such emigration as well as encourage road construction, railroad building, development of industries, and so on.

CURBING THE OPIUM EVIL IN CHINA

THE OBSERVANCE of "Opium Week" in Shanghai recently was an event of greater significance than the Shanghai public, either foreign or Chinese, probably realizes. The meetings were held under the auspices of the National Anti-Opium Association of China, for whom the Rev. K. T. Chung is doing excellent work as general secretary. China, with opium, is faced with somewhat the same problem as is America with inxtoxicating liquor. In both countries the educational leaders and the better class of substantial business interests are in favor of suppression. In both countries laws have been passed abolishing the traffic, but it is undeniable that in America a great deal of liquor is still drunk and in China a great deal of opium is smoked. China is faced, like America, not only with the problem within its own borders, where a small but powerful minority is working to continue making the huge profits which are incidental to a business where a depraved human appetite always furnishes a ready market, but also with the pernicious activities of neighbors who, not having abolished this kind of business themselves, connive at the smuggling which lies to a great extent at the bottom of the continuation of the liquor traffic in the United States and the opium traffic in China. The finger of inconsistency is pointed at China, because, after Great Britain had abolished the importation of Indian opium, the Chinese have continued to produce or to increase the growing of opium in their own country. But there is a deeper problem than this involved. Although officially Great Britain has stopped the opium traffic to China, nevertheless the attitude of the British government on the opium question in general is the cause of a great deal of opium, grown under the British flag, coming to China. True, it is smuggled in, and thus legally Britain is not to blame. But morally she is. In countries adjacent to China, large quantities of opium are grown, and in these countries, there are large numbers of Chinese. It is well known that the Chinese under the British flag are exceptionally prosperous, but it is equally true that a great number of them contract the opium habit during their stay in British territory, and when they return to China they become an active force in continuing the illegal traffic in their own country. The action of the Advisory Committee of the League of Nations recently in emphasizing the necessity for the rigid enforcement of the Geneva Convention of 1925 to combat illicit traffic in opium ought to be a matter of great encouragement to the gallant fighters in China against the opium evil. China must necessarily clean up her own house in this respect, but she ought to be given a fair chance. She has a huge job before her even under the best conditions, and she should not be compelled to have the handicap of having a large available supply of opium grown and manufactured under foreign flags ready to be smuggled into the country, mostly through ports which are not under China's control.

Cable Companies Facing Crisis with Chinese Government

According to reports appearing in the Peking newspapers, the Chinese Government has rejected an offer made through the British and Danish Governments for an extension of the contracts for the landing of the trans-oceanic cables on Chinese soil. The companies affected are the Great Northern Telegraph Company and the Eastern Extension, Australasia and China Telegraph Company. The contracts under which these two companies operate in China are shortly to expire, according to the report, and recently the officials of the companies signified their willingness to postpone payment of a considerable sum of money which the Chinese Government owes them, provided the Government would agree to an extension of the contracts. This the Government refused to do, and instructed the Chinese ministers in England and Denmark to notify the British and Danish governments accordingly.

Complete Story of the Soviet Oil Squabble

BY ARTHUR B. DARLING
Assistant Professor of History, Yale University
(in "Current History" for September)

A CONTROVERSY over Soviet oil, which threatened to grow into a trade war between the Royal Dutch-Shell and the Standard Oil companies, arose out of a report published in July that the Standard Oil Company of New York and the Vacuum Oil Company, another member of the Standard group, had renewed their agreements with the Soviet Naptha Syndicate for purchases during the next five years. Shortly after that announcement and just before W. C. Teagle, President of the Standard Oil Company of New Jersey, left for Europe, that company issued a statement which said in part:

Newspaper dispatches. undoubtedly emanating from Russian sources, report negotiations by which a quantity of Russian oil is being purchased by the Standard Oil Company. As a result the impression has been created, both in Europe and in this country, that the Standard Oil Company of New Jersey, in the face of the present overproduction in the United States, is buying Russian oil to displace products of American origin in the European markets supplied in part by its foreign subsidiaries. The impression that the Standard Oil Company of New Jersey has any trade relationship with the Soviet Government is incorrect.

The Soviet Government seized all the producing oil wells and refineries and assumed full proprietary rights over the private property represented by the oil industry in Russia, without any pretense of compensation. Subsequently the Soviet Government tried to raise capital abroad by selling oil which it had thus confiscated. Efforts were made to open a regular market for Russian oil products with various interests, including European subsidiary companies of the Standard Oil Company of New Jersey.

At that time the Standard Oil Company of New Jersey made it clear that it would not enter into any negotiations with representatives of the Soviet Government looking to the purchase of oil without assurances that the claims of the righttul owners of the properties would be met. It took the position that, if it participated in the sale of Russian oil, a part of the proceeds therefrom should be allocated to the indemnification of the former owners. As the Soviet Government was unwilling to agree that private property rights should be thus recognized, negotiations terminated and have not since been resumed with the Standard Oil of New Jersey or any of its foreign subsidiaries. * * *

In reply, G. P. Whaley, President of the Vacuum Oil Company, made a formal statement, part of which follows:

With a View to Reconstruction

The Vacuum Oil Company believes that trade contacts with Russia will make for wholesome reconstruction, and further, that it is only common sense to recognize that Russia is the economic source of supply for certain markets. An opportunity given to Russia to dispose of some of its surplus in its natural markets will avoid such surplus being forced into competition with American products in markets where transportation costs are in favor of the United States. * * *

The Vacuum Oil Company, for a number of years prior to the Russian revolution, was doing an extensive refining and marketing business in Russia, involving an investment of many millions of dollars. As a consequence, we were substantially affected by the nationalization of the petroleum industry. We believe that with the sole exception of the Standard Oil Company of New York, which owned some tank storage properties in Russia, the Vacuum Oil Company at the time of the nationalizations of industry by the Soviet Government was the only American oil interest having vested ownership directly or indirectly in the Russian petroleum industry. It is therefore obvious that we are directly interested in the matter of compensation. We expect in due course of time to negotiate for compensation covering the large values that were taken over at that time and to make satisfactory recovery, but this can be in time best adjusted without involving the question of either buying from or selling to Russia.

Mr. Whaley's reference to his company's "vested ownership" before the nationalization of Russian industry emphasized the fact that the claims of the Standard Oil Company of New Jersey against the Soviet Government rested upon the acquisition of the Nobel oil properties in 1920, two years after those properties had been taken over by the Soviet Government. In short, the Standard Oil of New Jersey had deliberately ignored the consequences of the Bolshevist revolution.

Here was a startling situation. Two Standard Oil companies were in sharp disagreement. It was soon learned that Sir Henri Deterding, head of the Royal Dutch-Shell interests, had on July 11 sent to his representative in New York the following cablegram, which was reproduced in *The New York Times* on Aug. 5:

I had no knowledge or even suspicion that Standard Oil Company after expulsion of Russians from England would profit by the absence of any buyers to make large contracts for five years to invade the British Indian market or to supplant American oil there.

You can inform them I shall never make room for Russian oil and I shall fight it with American oil until American oil is driven out of India by stolen Russian oil.

They should realize I must insist in India and elsewhere upon American oil taking preference over stolen oil. Besides, if this oil at present juncture had not been bought by Standard Oil Company (it) would have gone into consumption in Russia, where there is great scarcity caused by the Bolshevist Government in order to obtain more money abroad.

Statement has been made to me by a Bolshevist Government official that they had more want of money than Rnssian population of light; therefore Standard Oil Company has killed a large consumption in face of overproduction in America, for the obvious reason of obtaining more direct benefit, partly at the expense of our American petroleum industry, because so much American oil, uusold, must depress all markets; therefore I do not intend to let them get away with such extra profit, secured at the expense of the whole industry.

Please show this telegram to Walter Teagle.

In case of need I shall instruct you to publish in American press, as I have nothing to hide, but want honest deals with honest traders who have paid for their production and not what Standard Oil Company apparently want, namely, distribution of stolen property in such a way as to destroy legitimate trade.

My intention is to fight matter to the bitter end, if necessary over the whole world, as we wish public to know who caused this dishonest upset of the petroleum industry.

Chas E. Hughes as Counsel

Upon the arrival of the cablegram the Standard Oil Company of New Jersey had issued its statement, quoted above. At the offices of the Standard Oil Company of New York it was stated that the company would make no statement concerning the controversy until its counsel, Charles E. Hughes, should return from abroad. Its President, Herbert L. Pratt, who was going to Scotland for a vacation, had no intention of getting into the controversy over Russian oil, though he might possibly have some conversations with persons in London.

Saul G. Bron, director of Amtorg, the American trading company of the Soviet Government in New York, stated that there was no shortage in Russia of oil for domestic use. During the past year "both production and consumption of oil products in the Soviet Union have exceeded the pre-war maxima." The Russian oil bought by the American companies was distributed in Egypt and the Near East, where oil produced in the United States could not compete on account of the costs of transportation. "It is also not true," he declared, "that the Soviet Government was not willing to give compensation for oil seized following the revolution. The difficulty which the Russian Government had with the Standard Oil Company of New Jersey was not over a matter of compensation, but over the question of monopoly. The Standard Oil Company of New Jersey was working with the Royal Dutch-Shell Company to obtain a monopoly of all oil exported from Russia. The Soviet authorities would not agree to give this exclusive privilege. It was upon that point that negotiations fell through."

After a conference with Mr. Teagle in Paris on July 28, Sir Henri Deterding was reassured as to the position of the Standard Oil of New Jersey, and the two men found themselves still in agreement that there should be no dealings with the Soviet Government until it had formally recognized the property rights of their companies. Although Mr. Teagle had not been able to promise as much for the views of the Standard Oil of New York and the Vacuum Oil Company, the impression was given to the newspapers that there was not likely to develop a "world oil war" between the Royal Dutch Shell and the Standard Oil groups. Sir Henri Deterding, however, on his return to London, gave the following statement to The London *Daily Mail*:

I refuse as a man who believes in the good order of established society to have anything to do with gasoline which is in the hands of twelve unprincipled cutthroats whose hands are stained with the blood of their victims. These assassins are outside the pale of all decent civilized trading and are as unscrupulous in their methods of trading as in their seizure of power. Every company is affected, the Standard Oil Company no less than my own.

But for most disinterested onlookers his position had been seriously weakened by the statements of Bron in New York

and of Soviet officals in Moscow. The indications were that the Royal Dutch-Shell interests had been negotiating quite recently with the Soviet agents for Russian oil.

Appreciating the possible effects of such statements from Russian sources upon public opinion, Sir Henri Deterding made another statement on Aug. 4 in The London *Daily Express*. He said in part:

There is not a more dangerous liar than one who tells only that part of the truth which is bound to mislead. That is the position which the agent of Soviet Government has taken up in his statement that I have tried before to obtain a monopoly of Russian oil, adding to it that I was even prepared to advance £3,000,000 for such a monopoly.

In the first place, in the negotiations in which my group was only an interested party—very far from even 50 per cent.—three conditions were *sine qua non:* the first was an indemnification to previous owners of the oil; the second was that no sale need be effected by sellers; if the oil should afterward be wanted for internal consumption there would be no indemnity; and the third stated no advance or credit was to be given by any of the parties.

If the Soviet thinks the above is not the truth, why does it not publish the contracts proposed at the time by us?

He admitted to the interviewer, however, that his group had secured a block of shares to control the two largest independent Russian oil companies, Mantashev and Lianoson, and that his companies had bought quantities of Russian gasoline for the English market, but those purchases had been stopped some time ago, as he had thought they would not help the British Government in negotiating for the settlement of the Russian debt.

In Russia comment on the controversy was liberally mixed with humor and resentment. Soloviov, head of the Soviet Naptha Syndicate, declared that the campaign of the Royal Dutch-Shell corporations against Russian oil would have no effect on the Soviet industry; for by October its exports would reach 2,000,000 tons, twice the export before the war. The Soviet press interpreted the controversy between the foreign oil companies as confirming its belief in the hypocrisy and perfidy of all capitalists. According to *Izvestia*, it was common knowledge in Moscow that the Royal Dutch-Shell group and the Standard of New Jersey had tried on several occasions to secure a monopoly of the Soviet oil sales; that Sinclair had been "knifed" by the Standard Oil with the exposure of his connection with Fall and Doheny, so as to prevent his obtaining the credits from "Wall Street" necessary to finance his concession in the Grosny oil field. Since then, said *Izvestia*, it had been a free-for-all affair, with the Royal Dutch Shell and the Standard of New Jersey insisting upon compensation for the properties which had been acquired after the revolution, and the Standard of New York and Vacuum Oil doing business in purchasing and distributing Russian oil.

Potential Dangers of an American-British Oil War

Of interest in connection with the foregoing discussion of the squabble over Russian oil, is the following summary of an article by Albert D. Brokaw which appeared in the last issue of "Foreign Affairs," N. Y.:

Mr. Brokaw is a well-knownNew York oil engineer who has had experience in American, Mexican and Central American oil fields. He foresees that the production in Mexico will continue steadily to decline, being overtaken by Russia this year or the next. The Central American countries, particularly Venezuela and Colombia, he thinks constitute the next great oil reserve that will be tapped. Rumania, Persia and the Dutch East Indies will supply smaller amounts.

The relative annual production of the world's principal oil fields during the next ten years is foreseen by Mr. Brokaw about as follows: United States, 500,000,000 to 600,000,000 barrels; Venezuela and Colombia, 150,000,000 to 200,000,000 barrels; Russia 100,000,000 barrels; Persia and Mesopotamia something over 100,000,000 barrels.

Mr. Brokaw points out that of course the United States controls the production within its own borders, and that the Black Sea—Caspian field is largely within the British sphere of influence. But the Caribbean area is divided between British and American interests.

"Thus," he writes, "it seems that even though the rates of production in the various countries change substantially it is likely that the world situation will be dominated by America or Great Britain, especially as Britain and America are the dominant financial powers of the world and the oil industry is firmly intrenched in each.

"As a result Britain or America, or both together, will have to do with oil development in one country after another, as the focus of operations shifts from time to time; one or both will be involved in legal and diplomatic tangles that may arise, and the extent of their cooperation and the fairness they show will determine to a large extent whether the control of the world's oil supply shall be in the interests of peace or of war.

"If England and America should support opposing factions in some weaker country, each working to give the control of the local oil supply to its own nationals, the possibilities for trouble would be very real. Each country may count on receiving support from its nationals on the plea that oil is necessary for national defense, even though the controversy may be fundamentally one of commercial competition rather than a matter of national defense."

Mr. Brokaw points out the danger that America will feel greatly irritated when she is no longer able to supply her own oil needs from domestic production.

"When this moment comes," he writes, "the control of foreign sources of supply may become a popular issue in American politics. On the other hand, British opinion will, no doubt, follow Deterding in his protests against the Russian efforts of Standard Oil Company of New York, which may appear as a challenge to Britain in the regions she dominates, a challenge that will seem in extremely bad taste after the 'generosity' shown by Great Britain in allowing operators to participate in the development of Irak under a sort of British hegemony. And, doubtless too, many Americans, knowing no more than their British cousins about the real situation, will lend what support they may to the New York company because it is an American company.

"We may look with more or less equanimity upon a trade war between two American companies, but a trade war in the oil industry between a powerful British group and a powerful American group holds within it the possibility of a struggle for dominance of control over the supply by the nations themselves and that is, unfortunately, more serious. There is, of course, the alternative possibility of a combination, or some sort of cooperative arrangement between the great competitors in the field of petroleum; if this can be effected under proper control the danger of serious tension will be materially lessened.

"It seems almost as inevitable as the operation of a biological law that the world's oil resources must be developed to supply the world's demands without much reference to political boundaries and ownership of the deposits. The possibilities of accomplishing this without serious international difficulties rest largely upon the shoulders of Great Britain and America. If they accept their dominance as a quasi-trust under which they shall deal justly and reasonably both with the producing nations and the consuming nations, whether they be large or small, strong or weak, trouble can be avoided, but deviation from the course of fairness and justice will be attended with grave danger."

Japan Must Reorganize Finance System, Says Lamont

Thomas W. Lamont, of the firm of J. P. Morgan & Co., arrived in Japan on October 4, accompanied by Martin Egan and E. T. Sanders, both of the Morgan staff, and Dr. E. P. Eglee. Mr. Lamont's visit to Japan has attracted a great deal of attention, not only in the Island Empire, but throughout the world, and speculation is rife regarding his possible mission.

That Mr. Lamont's visit is more than a mere sightseeing trip is self-evident. Mr. Lamont's speciality is finance, and that his visit to Japan is in connection with financial matters is made evident by a speech which he made shortly after his arrival in Japan, in the course of which he stated that if the Japanese government desired to get any financial assitance from America, Japan's financial system would have to be revised. Mr. Lamont incidentally threw out the hint that many a security that would attract the British public would not be attractive to the American public.

Among the things that Mr. Lamont *might* be investigating are the following: (1) Could America act independently in major financial transactions in China independent of the Consortium, the original term of which will expire a year from now. The other members of the Consortium, besides America, are Britain, France and Japan; (2) Making preliminary arrangements with the Tokyo Electric Light Company who are on the verge of floating a large loan next year; (3) Arranging with the Bank of Japan for closer working with the Federal Reserve Bank of America.

At any rate, whatever Mr. Lamont is actually doing, the fact remains that he is is in Japan at the invitation of influential Japanese politicians and business men for the purpose of discussing policies which might be followed in the future, regarding the flotation of Japanese loans in the United States.

It is not known whether Mr. Lamont will visit China, while in the Far East.

China's Needs and Prospects

BY CHARLES DAILEY

CHINA'S political problem is one of the most complex imaginable, combined as it is with the selfishness of ambitious politicians, her milito-political warlords and that enthusiastic but otherwise small class that would rush headlong into Western ways and reform overnight a civilization four thousand years old, and with that effort at reformation tinged more or less heavily by the anti-capitalistic views freely imported from Moscow. All the foreign treaty powers, with the possible execption of Japan as regards her Manchurian ambitions, are ready and willing to relinquish their special privileges whenever China can set up a government that will receive the support of her people. There is no such government in sight, and hence the end is far off, and perhaps not in this generation.

It is very difficult to even attempt to describe the political situation in China. It is a good deal like the opening remarks of Hermann, the great magician, who always began his evening's entertainment like this: "Now, watch me closely, ladies and gentlemen, for the closer you watch the less you will see." The longer one is in China and the more he studies the situation the less able he is to describe it. If I were compelled to try to state China's trouble in a few words I believe I would let it go with the simple statement that she is suffering from indigestion as the result of the effort to ram down her four-thousand-year-old throat the still imperfect Western civilization of the last two hundred years and as a dessert a civilization—or whatever one may wish to term it—that began when Russia overthrew her Czaristic government. Such a combined dose taken by a human would mean an ambulance call.

Even the latest programme of the latest faction of the Kuomintang (People's or Populist Party) offers no hope for acceptance by the people as a whole. Briefly the programme rewritten by the Shanghai leaders, though promulgated from Nanking for political reasons, is too radical for the Chinese as a body politic to accept, and no one else has any programme at all at the moment, for all idea of a People's Assembly seems to have been abandoned for the revival under a new name of the old system of regional control, both militarily and politically. But to get the idea before the readers it is best to restate in brief the Shanghai-Nanking platform. Here it is:

The Shanghai-Nanking Platform

1—Continuation of the expedition against the feudalism of the Northern provinces.

2—Extermination of the militarists, but presumably only the Northern militarists.

3—Complete nationalization; in other words extension of the Kuomintang to all parts of China.

4—Control of the Communist faction; in other words a mild effort in their own camp to regulate mob rule.

5—Unity of the revolutionary forces.

6—Upholding of peace, order and discipline for the attainment of the aims of the revolution.

7—Maintenance of the people's rights and social stability.

8—Equal distribution of the lands; a failure even in Russia.

9—Control of civil property and creation of National capitalism; a species of Marxism.

10—Abolition of corruption by officials; a declaration which if sincere should begin in provinces already occupied.

11—Creation of a model government; a mere repetition of the idealism of Sun Yat-Sen.

12—(though placed fourth)—Abolition of the unequal treaties; if carried out immediately after nationalization of the Kuominting chaos certainly would follow and probably put high on the list only as an eye-attraction.

Now the Northern militarists, as typified by Chang Tso-lin, have announced no particular programme. They seem to seek military control first, and then to apply a form of government more or less flexible in nature in order to hold together the vastly different ideals of the far-flung provinces. In brief, though not expressed in terms, the feudalist idea seems to approach that of the British Empire or the United States, with great latitude permitted in the provinces, just as Britain and the Washington government permit local regulations among the states, colonies or dominions.

Although not expressed, this undoubtedly is what most of the people of China appear to be seeking for, since what would suit highly industrialized Kiangsu would not be approved by mountainous and undeveloped Yunnan or vast open places like Kansu. There is nothing new in this programme; to a large extent it has been the method for centuries. The typical idea, and the one which Chang Tso-lin seems to represent, is for regional control by the strongest leader, dependent upon his tenure by his ability to keep the people happy, content and employed, much as Yen Hsi-shan has been trying to do in Shansi province for the last decade.

Such a system of regional control would call for a central government rather weak in itself, composed of delegates from all the provinces in the form of a Senate, Assembly or Council, making only such laws as would apply generally, and controlling otherwise only such national affairs as the posts, telegraphs, railways and other communications; the Maritime Customs, the foreign relations, and permitting the various provinces to levy their own taxes according to provincial needs and with a tithe for the upkeep of the Central government and the extinguishment of National obligations. This too is idealistic, but Chinese.

Regional Control and Recognition

Numerous foreigners who have visited the Orient recently and have tried to make an unbiased study of China and its problem have come to the conclusion that a system of regional control eventually must be developed, and that while such is in form of development or while the partisan fighting is still going on there must be some form of regional recognition and direct dealing with the leaders of such regions on matters not requiring actual negotiations with a central government, which in the final analysis must ratify any agreements entered into.

One of the recent visitors to China who has come to this view after an extended tour is Hiram Bingham, junior Senator from Connecticut, an intimate friend as well as a partisan of President Coolidge. In the early part of his tour Senator Bingham seemed to favor a quasi-recognition of all the contending factions, but these now have become too numerous and it will be recalled that shortly before his departure for home he gave expression in Shanghai to his change of mind. His summary of his view of China after visiting Peking, Shansi, Honan, the Wuhan, Nanking and Canton contained this view:

> "The best future for China lies in following the provincial model, in establishing regional governments that will insure law and order, look forward to education and reforestation and economic development. If the United States, with all its experiences and centuries of training in popular government is having a hard time in administering a country of 120,000,000, when the tendency even with it is towards 'decentralization', how much more true is it of China with 400,000,000 and no experience in popular government. Is it not all the more necessary to establish strong local governments, with a sense of law and order, a square deal and a freedom to worship?"

It is noteworthy and an evidence of Senator Bingham's quick but deep study of China's problem that he mentions regional and not necessarily provincial government as a groundwork. In this he approximates the view of John Earl Baker, who as an expert of the Ministry of Communications and as head of the International Red Cross in China obtained an intimate view of China before his retirement to the United States about a year ago. As far back as four years ago, when Sun Yat-Sen was still running around in circles in Canton and the Northern feudalists were engaged in their perennial loot of Peking Mr. Baker advocated to me a system of regional control based on natural boundaries of defense, sometimes including two or even three provinces, with the utmost of local autonomy, but with a Central government designed only for foreign relations, for national administration and unified regulation of communications and national revenues.

Mr. Baker realized that in the regions governed locally there would be struggles for control, but China in all its history has been engaged in the same factional fighting. Always the leading man in a given region would dominate through politico-military prowess, but always the lesser lights would be combining against him and he would be compelled to conform to a give-and-take policy, as in the days before the decline of the Manchus. But he would be closer to the people than were the Viceroys and more responsible to their regional desires, while with the extension of education there would be a greater voting population, and no one in China would be willing to give the right of suffrage to illiterates. The experiences of the Kuomintang show the dangers of mob rule.

Silas H. Strawn, who as a delegate from the United States to the tariff and extraterritorial conferences also made a deep study of China and its problems in his addresses recently in both England and the United States also presented a view on the subject of nationalism. I may say parenthetically that it is the misunderstanding of the word Nationalists as applied to a group of political maneuverers in China that is most misunderstood by Americans, who think only in the terms of their own nationalism—who think in the days of George V in the terms of George III. That is partly the fault of the American school histories, the rewriting of which long has been necessary.

Mr. Strawn did not mention this angle, but he did tell his audiences that those who belong to the Nationalist party in

China do not understand nationalism as American or British understand it. They do not understand nationalism in the sense that sent thousands of young men to die on the fields of France. By the Chinese, he said, nationalism is interpreted to mean that a man's first duty is to his family, and he pointed out that the family unit system is the basis difficulty in dealing with China, for whenever a Chinese got into office his first duty was to rob the government for the benefit of his family; and the Chinese fight among themselves because of a fear that one or another would get hold of the national treasury.

A small personal incident will illustrate what Mr. Strawn had in mind. When I returned to Peking last February after five months with the Nationalists in the Wuhan and in Kiangsi province I was called upon by the wife of a Western returned student who had gone to the Yangtze to cast his lot with the Nationalists. I had known both of them several years ago, when the husband was a professor in one of the universities in Peking. A few years later he was compelled to flee because of his activities in a political way and turned up on the Yangtze with the arrival of the armies of the Kuomintang. Then he disappeared. One day after I had been back in Peking for a few months his wife came to me in distress. Her husband had been thrown into jail in Nanchang, his life was in danger, and could I use my acquaintanceship with some of the radical leaders to save him from death, for they were reckless last Spring with the firing squad along the Yangtze.

Bit by bit over a period of several months in the late Spring and Summer I got the story from the wife, who obtained occasional word. Her husband had written her from Hankow that he was going to Nanchang to accept a position with the Nationalist government. Later she heard that he was in a powerful position in the branch of the Central Bank of Canton, and he wrote that he was prospering and soon would be a rich man. Still later she came to me in tears; her husband had been thrown into jail in connection with the disappearance of $160,000. His life was in danger and he might be put to death any time. Then came the blowup at Nanchang and the returned student got out of jail. He came to Nanking with the army that wreaked such havoc on the foreign population there. Soon needed money came to the destitute woman in Peking. Later she told me—it was when the Nanking government blew up and the three brains of it shifted to Shanghai—she had received more money and was going to Shanghai to join her husband in the international settlement. His Nationalism was a thought for the treasury, just as Mr. Strawn illustrated. If he is clever—and he seems to be—more may be heard of him.

Orgy of Frenzied Taxation

Although an orgy of frenzied taxation and the enforced issue of provincial and other notes has occurred among the factions both North and South, there are signs that this reckless method will be abated, owing to the discontent of the people, who no longer can stand the strain. Special taxes of all sorts are being collected North of the Yangtze, but the Maritime Customs have not been affected beyond the surtaxes authorized by the Washington Conference. In the regions of the Kuomintang factions the arbitrary Customs imports have been withdrawn in order not to further antagonize the foreign powers. Yet in all sections there are special imposts that make the burden of the merchant too great to bear, for many staple articles are beyond the purse of a majority of the people. Trade and commerce are suffering and this soon will bring further hardships.

The Kuomintang has been unable to organize a single one of the captured provinces and its armies were compelled to push on to new victories. When the limit of the advance had been reached and no workable government establishment anywhere the leaders fell apart and organized their own governments. Even some of these are challenged from within. For instance, Tang Shen-chi sought to maintain an independent government in the Wuhan, but before he could get things going he was challenged in Hunan and was compelled to proceed there. Feng Yu-hsiang, failing to make terms either with Tang Shen-chi or the Shanghai-Nanking faction, neither of whom would trust him, has been unable to organize Honan province. The Shanghai-Nanking faction has disposed of Chiang Kai-shek by retirement and others by dismissal or excommunication, but otherwise has accomplished nothing. The Canton government recently estranged itself from the people by imprisoning the chairman of the Chamber of Commerce in the effort to force upon the people a further great loan. The Communist faction of the Kuomintang has captured and as this is written is in full possession of Swatow. The Kuomintang organization in Yunnan is battling from the walls against an attack by the armies of Tang Chi-yu, brother of the late Tang Chi-yao, long the governor there. Although beaten off General Tang has withdrawn to reorganize for another attack.

In the North it is no better. Chang Tso-lin keeps Manchuria in fair order because it is about his size, although he is suffering from the effects of his irredeemable provincial currency and the pressure from Japan, which is likely to increase. He holds Chihli and Shantung only by extending financial aid to its warlords. To do so he had permitted the issue of provincial notes and also has assented to the imposition of further taxes that are a greater burden on the people, sending living prices to the danger point as Winter approaches. Already brigandage is rife on all sides of Peking and even within its walls.

Many Factional Fights

In addition the friction between Chang Tso-lin and Yen Hsi-shen, governor of Shansi, is increasing to the breaking point and the Kuomintang flag flies throughout Shansi and also at Shihchiachuang and other points in Chihli held by the troops of the Shansi governor. Chang Tso-lin is trying to avoid conflicts with the foreign powers, whose troops sit in force in Shanghai and Tientsin and whose warships are at every port along the coast all the way to Canton. All factions of the Kuomintang also are trying to avoid conflict with the foreign powers and there is less baiting of them. The Communist agitators from Russia are gone; Eugene Chen and Mrs. Sun Yat-sen also have taken refuge in Moscow from the approaching storm of popular indignation the winter is certain to bring. The leaders of the Shanghai-Nanking faction do not function in Nanking, but keep close to the French Concession and International settlement in Shanghai.

On the whole the sixteenth anniversary of the revolution finds China still torn, further plunged into chaos, and with no constructive forces at work. In Peking Chang Tso-lin is making a play for popular support and to give the impression of progress. The streets of the capital are being rebuilt, even asphalt is being laid in some places, and the pailous are all being repainted and restored to their former grandeur. Golden sand is sprinkled on the streets when the Generalissimo goes abroad and the populace is held within the hutungs until he returns to his palace.

All this is no sign of republican progress; rather it would seem to indicate a return to a monarchy, and Chang Tso-lin is a monarchist at heart so far as his own weakness appears to be revealed. But the Chinese as a whole—that is, those who could have a vote if suffrage were based on a literacy test—do not wish a return to a monarchy, with its cruel and corrupt court. What the better Chinese want is a republic, but not the kind offered by any faction of the Kuomintang, except only it be the Shansi-for-the Shansi-people plan as maintained by the Governor of that province for sixteen years.

And finally, one may repeat a previous utterance: The revolution in China is only in its swaddling clothes; there is not a leader in sight who can receive the support of the people. The tight committee-rule of the Kuomintang as recently announced in Nanking is as objectionable as the Czaristic rule in Peking.

Miss Soumay Tcheng Appointed Chief Justice of Provisional Court

Loo Hsing-yuan, Chief Justice of the Provisional Court, was dismissed end of last week by the Nationalist Government, and in his place Miss Soumay Tcheng has been appointed. Miss Tcheng is a prominent member of the Nanking government and for the past several months has been a judge of the Chinese District Court of Shanghai.

Miss Tcheng graduated with honors last year from the University of Paris, is a member of the French bar in Shanghai, and is the first Chinese woman to become a lawyer. She is the author of books both in English and French.

The new appointee to the Chief Judgeship of the Provisional Court has had quite a distinguished career. She was born in Canton, February 22, 1894, being the daughter of the senior official of the Ministry of Finance under the Manchu government. She early allied herself with reform and revolutionary movements in China, and during the 1911 Revolution was active in propaganda activities. She received most of her education in France and was attached to the Chinese delegation to the Peace Conference at Versailles in 1919.

Eugene Chen Denies Marriage to Madame Sun Yat-sen

In reference to a report in the *London Daily Mail* on Sept. 29 stating that Eugene Chen, former Minister of Foreign Affairs of the Wu-han Government, had married Madame Sun Yat-sen, Eugene Chen has issued a denial, alleging that the report originated through British propaganda sources in Riga. Mr. Chen stated that he was traveling in Russia with his two daughters and that Mrs. Sun Yat-sen had gone to the Caucasus region for her health. The original report in the *Daily Mail* stated that Mr. Chen and Mrs. Sun had been married in Moscow and were planning a honeymoon trip to China to start another revolution.

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Future of the Chinese Revolution

BY PAUL BLANCHARD

(in the New Republic, N. Y.)

THE resignation of Chiang Kai-shek as head of the opposition government of Nanking changes the whole outlook of the Chinese Nationalist revolution. When Chiang broke with the Hankow regime last April, it seemed that the Nationalist movement was doomed to follow the course of the republican revolution of 1911, with Chiang Kai-shek as the strong man instead of Yuan Shih-kai. Friends of the new China concluded that they had overestimated the power and intelligence of the Nationalist movement. Perhaps, they reasoned, the conservatives are partly right and China is not ready for anything except military dictatorship.

Now that the Nationalist movement has thrown off its own dictator there is new hope for the accomplishment of its original program. Certainly there are new facts available to answer the important questions concerning the future of the Chinese revolution: What are the prospects of a reunited Nationalist movement? What is the future of communism in China, of imperialism and the concessions, of the peasant and labor unions? Political prophecy in relation to Chinese affairs is a hazardous undertaking, but it is possible to predict the drift of certain main currents.

The Salvation Army doctrine that a man may be down but never out is applicable to all the Chinese militarists. In spite of the fact that the names and labels of the militarists change with bewildering rapidity, they are the most permanent fact in Chinese politics. The program of every civil government in China is always conditioned on this annoying IF—if there is not a *coup d'etat*. If some new militarist does not arise to capture the Nationalist movement, it now has a political future. Chiang Kai-shek's resignation is a first-rate blessing, because it has made possible the reunion of the Hankow and Nanking Nationalists.

Only One Nationalist Movement

There will be only one Nationalist movement in China and its capital will be Nanking. This should not be interpreted as a surrender of the Hankow forces to Nanking, because the Kuomintang had decided to move its government to Nanking before the split with Chiang Kai-shek. In the new government it is more than likely that the Hankow leaders will predominate. The reunion approximates a triumph for the left wing faction of the party, but for the sake of cooperation that triumph will probably not be emphasized. The united government will need all its forces to resist the advance of Northern troops under Sun Chuan-fang upon Nanking, Shanghai and other Yangtze ports. The Southern forces may be pushed back temporarily, but the reorganized armies can undoubtedly regain most of the lost territory.

The official passing of Communism from the Kuomintang is quite as important a step as the passing of Chiang Kai-shek. The Communist party of China parted company with the Hankow government on July 14, on the ground that the Kuomintang was becoming counter-revolutionary. The Communist party members have not been officially expelled from the Kuomintang as yet, but they have been removed from all minor as well as major offices. In a statement on July 20, the Hankow Kuomintang announced that members of the Chinese Communist party had been caught passing a secret resolution calling for a general seizure of the land. Once more the Communists find themselves on the outside of a movement, boring in.

It is difficult to discuss the future of Communism in the Chinese revolution without giving too much or too little credit to Communist support. Most foreigners in China credit the Communists with almost everything that is brutal and effective in the Chinese revolution. Chiang Kai-shek added to this popular illusion by his anti-Communist campaign against the Hankow regime. When I interviewed him in Nanking on July 19, I asked him for his own explanation of the split between Nanking and Hankow.

"That is simple," he replied, "they are Communists, we are Nationalists,"

His analysis was three-fourths false. The Communists were powerful for a time at Hankow, but they never persuaded the Kuomintang to adopt a general Communist policy. The government there never stood for a general seizure of the land or for the socializing of the factories. After the first wave of guerrilla warfare incident to the conquest of new territory, the Hankow leaders settled down to ordinary collective bargaining in the labor unions and a relatively mild, policy in the peasants' unions.

In spite of Russia's very valuable contributions to the Chinese revolution, it seems likely that the importanee of the Communists in China will rapidly decline. They have proved expert in propaganda technique, in the creation of mass discontent and in anti-imperialist agitation, but in the construction of a peace-time government which compromises with both capitalism and imperialism they seem to have no place. They come into China so heavily laden with Russian formulas that they cannot cooperate with the Kuomintang permanently, as is evidenced by the recent bitter attacks of the Third International upon the ruling committees of the Kuomintang. Since they are fundamentalists in political thought, reporting to their mission board in Moscow, they are not at liberty to practise that scientific opportunism, free from all doctrinal presuppositions, which China so badly needs.

What China Borrowed from Russia

The Chinese have wisely borrowed from the Russians the idea of a party dictatorship as an alternative to personal military dictatorship. They want democracy ultimately in their political structure, but they have no illusions about the possibility of western democracy in a nation which has at least 350,000,000 illiterates. Russia has also given to the Chinese a zeal for a revolution coming from the masses of the people with a definite economic program for the improvement of the workers and peasants. But, at this point, the Chinese and the Russian revolutions part company. China insists on finishing off her revolution in her own way. She has few large landlords and a very small city proletariat. Handicaft industry still predominates throughout the interior and the dividing line between capitalist and worker is not clearly drawn. The Kuomintang can scarcely become a class party in the sense that the Communist party of Russia is a class party.

The social revolutionary program of the Kuomintang will be expressed through the peasants' unions and the labor unions. Of these the most important are the peasant's unions, because about three-fourths of the Chinese people belong to the peasant class.

The unions of revolutionary peasants have been a vital factor in the Chinese revolution since 1923, when they were first organized in Canton province. They reached their peak of power last summer when leaders of the Peasants' Union of Hupeh claimed that they had 3,000,000 members in that province alone and 10,000,000 in all China. (There is no way of checking these figures because the peasants are not compelled to pay dues to their unions.) The unions aim to fight against all the abuses of the Chinese village that make it hard for the poorer peasants to survive. Unlike the Russian peasants, however, they are not opposed by a large landed aristocracy, but by a combination of small land-owners, militarists and bandits, who have gradually saddled upon the Chinese villages peculiar customs of usury and oppression. The situation is greatly confused because many of the peasants are both landlords and tenants. In Hupeh province, for example, the Peasants' Union estimates that 40 percent of the peasants are tenants pure and simple and 20 percent own half their land and rent half of it. Twenty-five percent own all their land, but their estates are usually so small that an American farmer would consider himself a beggar if he had to earn a living from them. A recent survey of a village in Chihli revealed the fact that most of the peasants operated farms of three to five acres and only 10 percent of the landlords had more than seventeen acres.

Excessive Interest Rates

The worst abuses of the Chinese villages have been the charging of excessive interest rates for loans to peasants during the famine periods, and the very high rent. In addition there have been many petty official abuses. Borodin gave me two illustrations of such abuses. A peasant of the gentry class in Shantung had a book in his possesion in which all the sales of land in the village had been recorded for many generations. He extracted a heavy percentage on each sale of land and refused to part with the book for less than $10.000. Another peasant in a village in South China had a seal inherited from his ancestors of the Ming dynasty and gained his living from the established practice that all documents of the village should be stamped with that seal. Rent rates on land and interest rates are appallingly high, money being charged for at the rate of 10 percent to 700 percent a month and tenants being required to pay 50 percent to 70 percent of the value of their crops for use of the land.

The Kuomintang proposes to work through the peasant unions to reduce rent 25 percent throughout the territory controlled by its government, to set a maximum interest rate for private loans of 20 percent and to establish land banks from which the farmers can borrow money at 5 percent. The instrument for this reform is the Peasants' Union, which, under the Kuomintang scheme of organization, includes not only farm laborers and tenants but landlords, village merchants and handicraft workers. The Peasants' Union, therefore, should not be thought of as purely a class organization, but rather a semi-political organization of the whole village under the Kuomintang with certain governmental powers.

Unfortunately, thus far in the Chinese revolution the peasant unions have met with disastrous defeats. In Hunan,

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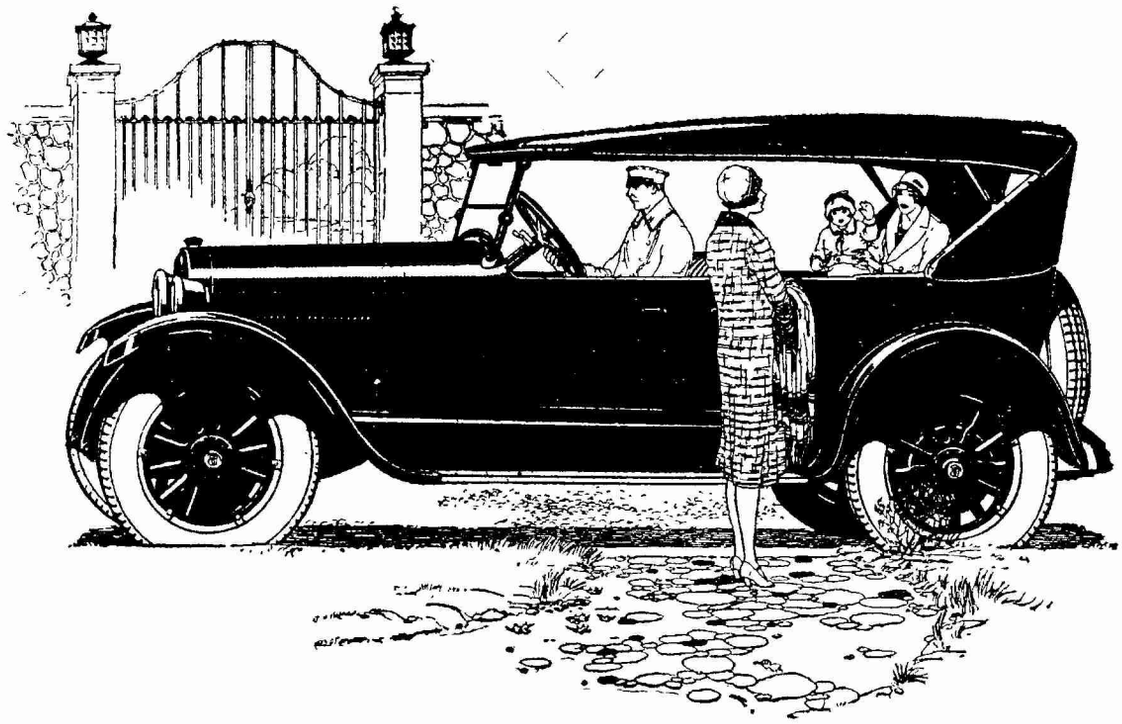

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the peasant organizations fell into the hands of bandits and incompetents and overstepped their program, with the result that they were suppressed by soldiers of the Nationalist armies. Their revival, however, is part of the Nationalist program, and, with village schools under their auspices, the Kuomintang may yet succeed in making the peasants carry out a construc tive program on the land. The Hupeh Peasants' Union claimed in July that it had already established 10,000 village schools in Hupeh province alone for the education of the peasants in agriculture and elementary social science.

The labor unions have made great strides toward a permanent place in Chinese life since the general strike of 1925, and the reunion of Nationalist factions will give them a much brighter future. In the interior towns, and in non-industrial cities like Nanking, the unions will play an unimportant role for many years to come, but in Shanghai, Hankow and Canton they have an excellent chance of organizing nearly all the industrial workers. Before the break between Chiang Kai-shek and Hankow the All-China Labor Federation claimed three million members. Chiang greatly reduced the membership of the Federation by virtually abolishing the unions of Shanghai under the pretext of a campaign against communism, but he failed to suppress the spirit of rebellion in the ranks of the workers, and they won several strikes in spite of him.

During the last three months, the labor unions have moved steadily to the right in their policies. Most Communists have been eliminated from leadership, and apparently the revolutionary stage of armed picketing is over. In both Canton and Hankow the Nationalists learned that the arming of workers in industrial struggles was a dangerous expedient. Hankow disarmed its labor pickets in June and set to work upon the construction of arbitration machinery for collective bargaining in industrial disputes. All signs point to a trade-union development under the reorganized Nationalist government, not unlike the development of the more progressive unions of Europe and America. The Nationalis have pledged themselves to cooperate actively in labor organization and to promulgate a labor code.

How far toward Peking the Nationalists will go depends largely upon General Feng. This shining model of Christian fidelity is a shrewd judge of winners and a careful economist of gunpowder. He has professed the warmest friendship for all sections of the Nationalist movement without winning the complete confidence of anyone. "We welcome the support of Feng," said an aide of Chiang Kai-shek to me in Nanking. "We welcome his aid with 90 percent enthusiasm and 10 percent watchfulness."

Feng's Strategic Position

Feng's importance in the present situations lies not so much in the power of his armies as in the position which they occupy. He remains between the Northern and Southern armies in a position to cut the Northerners' lines of communication if they advance far to the South. The Nationalists cannot advance on Peking without his support and the Northerners cannot attack him directly without suffering heavy losses. Feng is sufficiently shrewd to use the advantage of his position for all it is worth. The Northern forces under Generalissimo Chang Tso-lin are nominally unified, but the cooperating commanders cordially despise each other and will probably split apart at the first pretext. At the present writing, Sun Chuan-fang is making a drive on Shanghai and Nanking, which has all the appearance of a looting expedition endangering the whole Northern cause.

The Nationalist campaign against foreign concessions and foreign control of the tariff goes on with unabated fury. Great Britain and Japan receive the lion's share of Chinese hatred, while American participation in the Shanghai settlement is almost ignored. Great Britain, while making irritating military flourishes for the sake of her pugilistic nationals in China, is actually beating a territorial retreat. With her concessions on the Yangtze gone and an agreement under discussion for the rendition of the concession in Tientsin, it may be that British territory in China will soon be confined to Hong Kong and the British share in Shanghai. British "old China hands" fume and fret and complain against the "weakness" of their government almost as bitterly as they denounce the "parasitic policy" of the United States.

Japan, having no powerful Labor party to soften the chauvinism of Premier Tanaka, has recently entered the Chinese struggle in a way that is ominous for future peace. Her distribution of troops in Shantung was tantamount to supporting the Northern forces, and aroused the greatest bitterness in China. Japan is obviously afraid of the Nationalist threat against her power in Manchuria and is accordingly supporting Chang Tso-lin's bizarre collection of bandits, adventurers and reactionaries. It will take the most adroit diplomacy to avoid a war between China and Japan if the reorganized Nationalists should become powerful enough to capture the North.

Dr. Wu Asks Japan's Intentions In Manchuria!

Dr. C. C. Wu, Minister of Foreign Affairs of the Nationalist Government at Nanking, on October 1, sent the following dispatch to Mr. Yoshizawa, Japanese Minister in Peking, making inquiry regarding Japan's intentions in Manchuria and Inner Mongolia:

"Having received numerous enquiries from representatives of popular organizations regarding the apparently new policy of the Imperial Japanese Government towards China, especially in respect to Manchuria and Mongolia, I am constrained to address this communication to Your Excellency for transmission to your Government.

"Disquieting reports regarding the so-called "Positive Policy" enunciated by Baron Tanaka, the premier of the new Japanese Cabinet, would indicate that the Imperial Japanese Government contemplates embarking upon a new policy of economic and political imperialism in China, especially vis-a-vis the Three Eastern Provinces and Mongolia. It would seem that the Japanese Government has presented,—and has been negotiating in an atmosphere of secrecy and mystery with the northern militarists masquerading as a government,—demands which involve extensive railway concessions, freedom of residence in the interior for Japanese, assumption of right of protection over these territories and other demands which would in effect be a revival, in an even more objectionable form, of the now universally discredited Twenty-one Demands of 1915, and would thus deprive the Republic of China of her sovereign rights in these regions and virtually place them under the domination of Japan.

"Such a policy on the part of the Japanese Government, if correctly reported, cannot fail to arouse the indignation of the Chinese people. The recent demonstrations spontaneously manifested by the citizens of the Three Eastern Provinces and temporarily suppressed by Chang Tso-lin, are symptomatic of the resentment and high feeling aroused by any attempts at infringement of China's territorial sovereignty.

"It will be recalled that in numerous international documents, Japan and other friendly Powers have given formal undertaking to respect the sovereignty, the independence, and the territorial and administrative integrity of China. The doctrine of the open door with its corollary, the principle of equal opportunity for the trade and industry of all nations throughout the territory of China, has also been repeatedly affirmed. The new demands which are reported to have been made by your Government would without doubt seriously violate the spirit of this international undertaking.

"In these circumstances, the Nationalist Government cannot refrain from communicating to the Imperial Japanese Government its grave concern at the reports which are now current and to enquire whether there is any foundation for them. The Nationalist Flag now flies in sixteen out of the twenty-two provinces of China. It is obvious that no agreement concluded with a military chieftain who claims control over only six—and actually exercises control over less than six—provinces, can ever be recognized by the Chinese people. The new policy of the Imperial Japanese Government regarding Manchuria and Mongolia would create, in effect, an "Alsace-Lorraine" problem in the Far East which would sooner or later jeopardize the peace of the world. It is, therefore, the duty of the Nationalist Government, confidently voicing the unanimous opinion of the people of all China, to protest energetically against the consummation of any such arrangements which, as reported, the Imperial Japanese Government has in contemplation and to solemnly warn the Government and people of Japan of the consequences.

"In the interests of mutual understanding and goodwill between the two countries, I shall be happy to receive a definite assurance from your Government that the reports referred to above are entirely groundless, that the Imperial Japanese Government is not attempting to revive in a new guise any of the demands comprised in the "Twenty-one Demands", and that it in no wise seeks to depart from the policy of respect for the sovereignty, independence and territorial and administrative integrity of China.

General Sutton Invests In Canada

General Frank Sutton, a British subject, former adviser to Chang Tso-lin and superintendent of the arsenal at Mukden, and former owner of the *Tsingtao Times*, has purchased a ten-story office building in Vancouver of a value of approximately a million gold dollars. General Sutton is also reported to have bought a ranch near Caribou, British Columbia, in connection with which he intends to develop mining claims.

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Antimony In The Far East

BY BORIS P TORGASHEFF,

(Concluded from last week)

Manchuria

There is up to the present time no information relative to the discovery of antimony deposits of commercial importance in South Manchuria. The existence of antimony is known in North Manchuria, but few of these reports are as yet verified by specialists.

Surveying parties of the Russian Upper-Amur Gold Mining Company found antimony in several parts of the Pri-Argun region of the western part of North Manchuria, but they were not sufficiently studied to make an estimate possible of the wealth of these deposits. The only authoritative information regarding the existence of antimony in commercially important quantities in North Manchuria came from Baron E. I. Aminoff, Russian mining engineer, who surveyed the antimony deposits *near Ashiho* (not distant from Harbin) and found all indications of the existence of antimony in commercially important quantities. Mr. K. Molchansky, another Russian engineer, mentions an unverified deposit in Kirin province.

Indo-China

In Indo-China there are numerous antimony deposits in Tonkin, Annam and Laos.

In Tonkin the antimony deposits have been the subject of geological study during the past several years. They are situated in a number of regions of Tonkin, namely: Monkai, Cao-Bang, Lao-Kay and Phu-Nho-Guan. The deposits nearest to the Chinese frontier are similar in quality to those of Yunnan. The general conclusion of the French Geological Survey is that there are no particularly rich deposits in Tonkin, but there are a number of deposits of antimony ore in commercially important quantities. The ore is not very rich but the plants can treat ore on as low basis as 14 per cent, and to produce metallic antimony 96.60 per cent pure.

Undoubtedly of greater value are the antimony deposits in Annam, where even at the present time the metal is smelted by a number of small native plants and at the principal mine in the Bong-Mieu district, under French management. As far as is known at present, the principal deposits of antimony ore are located in the Ta-Soi district. The ore consists of sulphides and antimony oxide in the form of blocks scattered in the clay of the surface covering the schists. The smelting plant at Bong-Mieu produces an annual average of more than 1,500 metric tons of regulus, valued at nearly 600,000 American dollars. The mill was constructed only a few years ago, the enterprise is progressing rapidly and with great success, and it is believed that in the no distant future it will smelt up to 3,000—5,000 tons of regulus annually.

The antimony deposits in Laos have not been sufficiently studied to make possible an estimate of their commercial value. It is only known that the existence of antimony ore has been determined with regard to many points in the left valleys of the upper reaches of the Mekong river.

The Russian Far East

The Rusian Geological Committee has registered for the Russian Far East only 15 antimony deposits: nine in Zabaikalia and six in the Amur and Maritime provinces. None of these deposits have been properly studied, and only two of them have been inspected by geologists.

One of them *at Balzino* near Darassun, in Zabaikalia according to the geologist G. I. Stalnoff, gives every indication of being commercially important. Survey has established the existence of three ore bearing veins, and in the process of survey a trial production of 800 poods (13 metric tons) of antimony was made.

In the Amur province a survey was made of mixed deposits of antimony (stibnite) and fluorite in the *mountain of Boguchan*, near the village of *Pashkovo* on the Amur. According to P. I. Polevoy, the ore contains 26.1 per cent of antimony, and may become of importance as a valuable by-product in the working of fluorite. With a total of fluorite reserves in the Boguchan mountain estimated at 28,190 metric tons (1,725,310 poods) from 425 to 1,400 metric tons (26,000—86,000 poods) of antimony ore may be extracted.

With regard to the remaining 13 deposits there is only haphazard and unsystematic information, but everything would indicate that certain of them may be commercially important.

About the antimony presence in Amur province, the information was imparted to the author by Baron Aminoff of the Upper-Amur Gold Mining Co., all the more valuable as it has never been registered by the records of the Geological Committee,—and based on the researches of the said Co. According to that information of much interest are the following antimony deposits: (1) Antimony vein on the *r. Ingagli*, 50-60 kms off the railway station Never. Prospected by the Siberian Commercial Bank. (2) Antimony glance, at the *Shapovaloffsky gold mine*, 10 kms off the same station. Discovered in 1917. (3) Antimony vein at 5-8 kms off the railway *st. Tygda*. Discovered in 1918, has not been prospected. (4) Antimony vein established by Baron Aminoff's own prospecting to be in evidence for one and half kilometer in length, at his gold mine, *80 kms north of the Zeya-Town*. (5) Outcrop of a large antimony vein of two arshines (1. 4 meter) capacity in the Boguchan Mountain, (another mountain of the same name), 100 kms off the railway *st. Zavitaya*. Alexandroff's claim, discovered in 1917-18. (6) A promising vein at the Smirnoff's gold mine *on the Harga* of the Selemdja basin. In the same region lumps of scheelite have been often found, and (7) Considerable occurrence of antimony in placer sands of *the Roublevy Gold Mine*, at a few kms off the mouth of the *r. Guiluy* off the Zeya system, at about 40 kms off Zeya-Town.

The Geologist G. I. Stalnoff calls attention to the fact that in Zabaikalia considerable quantities of antimony are contained in silverlead deposits, which would make a valuable by-product. Up to the present time, however, no attention has been paid to this, and the presence of antimony in the silver-lead ore was regarded merely as an element interfering with the smelting of silver.

The survey of the two deposits made to determine their commercial value indicate that also a number of other deposits may become valuable. It is, therefore, of great importance to the Russian Far East that the above fifteen deposits be studied as soon as possible. Even if it is found that in the entire Russian Far East there is nothing similar to the Hunan deposits of antimony in China, the mining of antimony in the Russian Far East will undoubtedly become a profitable undertaking in view of the general shortage in the world of antimony.

Japan Proper

Antimony is found in Japan proper in small quantities commonly in the form of fissure veins of stibnite in the Palaeozoic and Mesozoic formations. According to the Geological Survey of Japan's own testimony, while the production of antimony formerly was of world wide importance, it has now dwindled to nothing because of the exhaustion of all good deposits.

It was profitable to mine these ores in Japan only during the war when antimony prices were very high. Taking advantage of this condition, Japan began to operate all known small antimony deposits, and in 1916 there were smelted 11,070 tons of antimony. In 1917 the industry was capable of producing only 6,830 tons, while in 1918 with difficulty were produced 400. In 1921 the production of antimony was discontinued entirely because there was no more ore of commercial value.

Korea, Formosa and the Philippine Islands

Deposits of antimony ores have been found in the northern part of Korea, but their commercial value has remained unknown.

There is no information on hand relative to the existence of antimony deposits in the Philippine Islands and Formosa.

The antimony regulating market is London, where the world's prices therefor are determined, in spite of the fact that within recent years the United States is the principal buyer of Chinese antimony.

Prices on antimony were very high during the war, reaching as high as 30.2 American cents per pound as against 7.5 cents prior to the war. In 1921 the price in New York dropped to 4.9 cents. *Beginning with 1923 prices exceeded prewar prices and they are now firmly increasing.* In view of the fact that in 1922 the United States introduced an import duty on antimony regulus of 2 cents per pound, New York prices are now somewhat higher than those in London.

In 1925 regulus (99% pure metal) of British production varied in price between 75 and 80 pounds sterling per ton, while foreign, principally Chinese, antimony varied between 66 and 66½ pounds sterling per ton. However, at the end of 1925 antimony prices radically increased, and Chinese regulus was quoted at 80 to 98 pounds sterling c.i.f. Hankow, the principal export port in China for antimony. Antimony crude (concentrates of 65-70 per cent) at the end of the year was quoted in London at from 59 to 63 pounds sterling per ton.

In 1925 there were registered in New York and London heavy demands for antimony for different electrical apparatus and radio equipment. This brought about a 100 per cent increase in the price of antimony during 1925. In January antimony was quoted at 11 cents per English pound, while in

(*Continued on page 189*)

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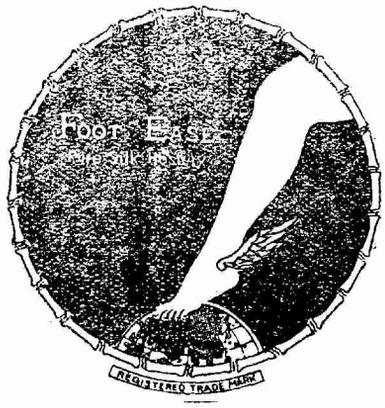

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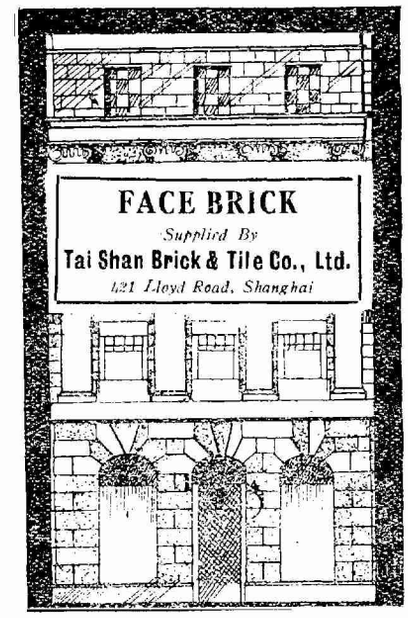

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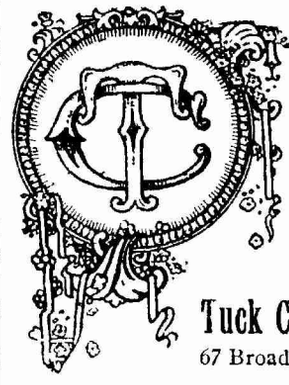

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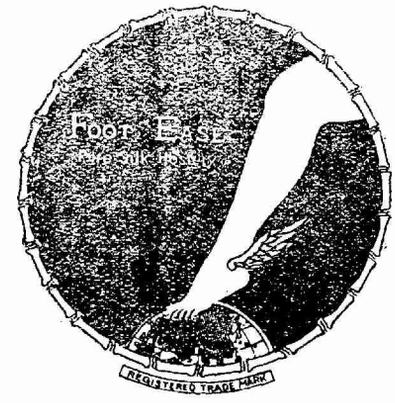

The Name behind the Goods

China's Complications Both North And South Of Yangtsze

BY J. B. P.

The civil war between Gen. Yen Hsi-shan, tupan of Shansi province and Marshal Chang Tso-ling, dictator, of the Peking Government, which started on September 27, is continuing with varying results, the advantage now being with the Fengtien troops which have a preponderance of men and equipment. Forecasts, in the light of recent developments, now apparently must be revised, for instead of a short, sharp struggle resulting in the evacuation of Marshal Chang Tso-ling, the struggle in the North now has the appearance of becoming a long, drawn-out affair which may last through the fall and winter. Gen Yen Hsi-shan apparently based his hope for an early victory upon dissension in the Fengtien camp and assistance from Feng Yu-hsiang and Nanking, none of which has developed to any appreciable extent. However, in reading the news reports, it must be realized that practically all the news comes from Peking which is controlled by Marshal Chang Tso-ling who maintains a strict censorship upon all information coming out of what city.

Factions in the Fengtien Party

It is difficult at this distance to understand the underlying political currents in Manchuria, but there seem to be three fairly well defined groups the old, the new and the middle parties. The old conservative elements which constitute the main strength of Marshal Chang Tso-ling, include Generals Wu Chen-sheng, tupan of Heilungkiang, who recently has been appointed divisional commander in Manchuria for the purpose of holding conditions steady in the present crisis, and Chang Tso-hsiang, commander-in-chief of the Fengtien forces, directly, under Chang Tso-ling.

The younger or more modern elements in Manchuria, which are supposed to be sympatheic toward the Nationalists in South China, are led by Chang Hsueh-liang, son of the Mukden warlord, and Gen. Han Lin-chun, once vice-minister of war in Peking and an important commander under Marshal Chang. The third or "middle" party in Manchuria is led by Yang Yu-ting, chief-of-staff of the Fengtien forces, a Japanese returned student, who is supposed to be friendly toward Japanese interests and whom certain sections of the Japanese apparently would like to see in Marshal Chang Tso-ling's position.

Gen. Yen Hsi-shan, tupan of the "Model" Province of Shansi, Who Is Now at War with Marshal Chang Tso-ling for the Mastery of North China.

Gen. Yen Hsi-shan, tupan of Shansi, apparently was led to believe that a drive against Chang Tso-ling would result in rebellion in the Fengtien camp, which fact was also indicated in propaganda which has been circulated by the Nationalist agencies in the Yangtsze Valley. The *Kuo Min* news agency, official organ of the Nanking Government in a report issued on Oct. 8 stated that following the defeat of the Fengtien forces in Honan province by the Wu-han forces under Gen. Tang Shen-tse several months ago, Gen. Yen Hsi-shan proposed to Chang Tso-ling that (1) Fengtien adopt the Three People's Principles; (2) that Chang Tso-ling withdraw to Mukden; and (3) that Fengtien cooperate with Shansi in a combined attack on Feng Yu-hsiang, or at least to the extent of preventing Feng Yu-hsiang from advancing north of the Yellow River. According to the report, while Chang Tso-ling was considering these proposals, the old Fengtien group raised such serious opposition that Chang Tso-ling was forced to delay action. And since Generals Chang Hsueh-liang and Han Lin-chun were supposed to be favorable toward the adoption of the Kuomintang or Nationalist principles, they naturally became the target of attack on the part of the old conservative elements in Kirin and Jehol. Therefore it is safe to assume that Yen Hsi-shan was led to expect trouble in the Fengtien camp in the event of his launching an attack.

What is Feng Yu-hsiang Doing?

While there have been reports of mobilization of Feng Yu-hsiang's forces there has been no news of advances into Fengtien territory of any special consequence. The result has been the circulation of the usual rumors that Feng is not playing the game; that he led Yen Hsi-shan to believe that he would advance immediately into western Shantung, striking directly at the Tientsin-Pukow Railway which is controlled by Generals Chang Chung-chang, tupan of Shantung; Chu Yu-puh, tupan of Chihli, and Sun Chuan-fang, in control of the sector in northern Kiangsu. Since Feng has not yet moved, the impression is becoming prevalent that he is playing a personal game, hoping that the fighting in the North will eliminate one of his rivals and so weaken the other that he can later on advance unhindered into Chihli province and to Peking. One certain element in the situation is that Feng Yu-hsiang is short of ammunition owing to his isolated position in Honan province.

Nationalists Unable to Help Either

Turning to the camp of the Nationalists in the Yangtsze Valley, we also find them in a deadlock with Gen. Tang Shen-tse the Wu-han commander, who apparently is in some sort of alliance with Marshal Chang Tso-ling. As stated in previous discussions in these columns, Gen. Tang has advanced his forces into Anhwei and is now in striking distance of Nanking and probably would force the issue, was he not afraid of an attack from the Upper Yangtsze on the part of Generals Yang Sen and Wu Pei-fu. A few days ago the Nankiug Government issued a warrent for the arrest of Wu Pei-fu, hoping in this manner to split up the Szechuen military camp which has recently shown a tendency to unite behind Marshal Wu in a combined attack on Hankow. At the present time Dr. C. C. Wu, Minister of Foreign Affairs, and Sun Fo, Minister of Communications at Nanking are in Hankow trying to patch things up with Gen. Tang Shen-tse, but it is as yet too early to judge the results of the attempt.

Situation also Confused at Nanking

The Nanking Government depends for its military strength upon three youthful generals, Ho Yin-chin, Bei Tsung-chi and Li Chung-ren, and if one would believe local reports, they are having difficulty in agreeing among themselves. Gen. Chow Feng-chi, commander of the twenty-sixth army and head of the Kuomintang committee in Chekiang province has been forced out of his position which has been taken over by Ho Yin-chin, a supporter of Gen. Chiang Kai-shek. It is reported that Gen. Ho is none too friendly to the Nanking group. This leaves Bei Tsung-chi and Li Tsung-ren as the chief, and about the only supporters of the Nanking Government, and if one would believe reports, it is said that Gen. Li has been having trouble with his own troops and has a serious difference with Gen. Tang Shen-tse over the division of interests in Anhwei.

Views of Dr. Chang Po-lin

A pessimistic view of the situation under the Nationalists at Nanking was recently presented by Dr. Chang Po-lin, president of Nankai University of Tientsin who spent considerable time investigating conditions here. According to an inter-

(Continued on page 192)

Kiao-Tsi Railway Plans A Reconstruction Program

BY J. A.-J.

Dr. G. Borkowetz, the Peking representative of the German steel manufacturing concern known as the M. A. N., has completed all arrangements for carrying out the reconstruction of the Wei-Ho Bridge on the Kiao-Tsi Railway, for which he was awarded the contract for supplying the steel and the construction of three new piers. This award was given the M. A. N. in face of some American, British and Japanese competition, but the tender put in by the German firm secured the contract. As a matter of fact, German manufacturers and suppliers are walking away, these days, with most of the businesses offering in Shantung and Manchuria and, where formerly the natives in these territories would turn to the British, Americans and even the Japanese for their requirements, they are now turning more and more to the Germans. Up to the time of the outbreak of the great war, German trade had assumed such considerable proportions in the Orient that the British had to resort to a widespread propaganda against the alleged inferiority of German goods and machinery as compared with the excellence of British manufactures. The War, of course, retarded German trade enormously, forcing it down, in the case of the Orient, to where it started.

During the continuation of hostilities, the Germans, at the instigation of the British authorities, were deported from China, Siam, the Straits, Burmah, Ceylon and India, and all sorts of indignities were heaped upon the "Huns" so as to make them "lose face" in the eyes of the Oriental nations, but it seemed childish to the initiated that the British authorities could for one moment believe that German trade could be successfully killed forever through artificial means. It was only but natural that with the readjustment of European affairs, the Germans would again return to their Oriental trade—just as much as they would try to regain lost fields elsewhere—if they were ever (for one thing) to pay the indemnities forced upon them by the allies, and the result is, as we have observed, that German trade influence is again assuming considerable proportions in China. If the British and Japanese do not give up their sword-rattling policies in this country they may one fine morning, wake up to discover their commercial cupboard beautifully empty. It is all very well for the "die-hards" to proclaim the necessity of "keeping the Chinks in their proper place," but it is to be hoped that "the Chinks" would not be denied the privilege of obtaining their requirements from parties most suiting them. This is the view of all sane-minded foreigners in the Orient, namely that no matter how imperialistic you may be, you could never hope to force the other fellow to purchase from you if he does not feel inclined to.

However, to return to the Kiao-Tsi Railway.

The railway has mapped out a program of reconstruction and the following works are to be carried out as fast as money s available:—

1. Replacement of all bridges with new ones of a capacity of twice the present strength.
2. Changing of rails and sleepers to a heavier rolling stock and more powerful engines being employed.
3. Extension and improvment of the Tsingtao passenger terminal.
4. Establishment of a freight terminal at the Harbor station.

(*Continued on page 190*)

(*Continued from page 186*)

December it could with difficulty be obtained only at 22 cents per pound, i.e. at U.S.$ 484. 88 per metric ton. The fluctuations in price of antimony-regulus may be seen from the following table of the New York Exchange:

Years	Price in gold cents per lb.
1913	7.52
1914	8.76
1915	30.28
1916	25,37
1917	20.69
1918	12.58
1919	8.19
1920	8.48
1921	4.95
1922	5.47
1923	7.89
1924	10.83
1925	from 9.96 to 11.71

September 15, 1927, Harbin.

In the United States Court for China

LENORE K. HARTIGAN, Plaintiff. vs LEONARD W. H RTIGAN, Defendant.

Cause No. 2990
Civil No. 1238

SUMMONS

Filed at Shanghai, China, October 5, 1927.

L. T. KENAKE
Asst Clerk

The President of the United States of America

To the United States Marshal for China and his Deputies—
GREETING:

You are hereby commanded to serve this Summons and a copy of the complaint in the above en itled action upon the defendant

LEONARD W. HARTIGAN

and to notify him to be and appear before this Court on or before the fortieth day after service hereof to file his written answer on oath.

(SEAL)

WITNESS the HONORABLE MILTON D. PURD Y, Judge of the United States Court f r China, Shanghai, China,

L. T. Kenake,
Asst. Clerk

Excerpt from Regulations, Section 8: On proof of due notice, judgment by default shall be procured against any defendant failing to appear and file his written answer as required.

In the United States Court for China

LENORE K. HARTIGAN, Plaintiff. vs LEONARD W. PARTIGAN, Defendant.

Cause No. 2990
Civil No. 1238

ORDER

Filed at Shanghai, China, September 30, 1927.

L. T. KENAKE
Asst. Clerk.

ORDER.

The object of this suit is an action for divorce.

On Motion of the Complainant, it is this 30th day of September, 1927, ordered that the Defendant cause his appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays accruing after the day of the last publication of this Order; otherwise the cause will be proceeded with as in case of default.

MILTON D. PURDY
Judge
United States Court for China.

September 30, 1927

(*Continued from page 189*)

5. Installation of distant signals for better protection of trains.
6. Addition of a third track for minor stations.
7. Extension and rebuilding of water towers for larger capacity.
8. Reconstruction of the present carpenter shop to cope with requirements.

Some 230 spans of bridges with a total tonnage of steel used amounting to 3,300 tons have been completely replaced up to the time of writing and the cost of these completed bridges amount to $930,000. The Wei-Ho bridge, the one now to be replaced, has three spans of 15 meters each, 6 spans of 30 meters each and one of 46 meters, the total weight of steel being 680 tons. The contracted price is $298,600, as follows:—

680 tons steel bridges	$136,000
2200 cubic meters masonry for piers	57,600
3 Steel caissons for the three new piers	15,000
Dismantling, erection etc.,	90,000

Work on this bridge has started and will be completed before the next flood season. The three new piers are to be founded on pneumatic caissons. When the new bridge is completed the track level will be raised by 24 meters in order to maintain the original area of waterway. Standard Chinese government 85-lb. rails is to replace the present 60-lb rails and some 4.5 kilometers of new rails have already been laid down.

As soon as conditions justify the expenditure, the Harbor Station Freight Terminal will be constructed, its plans having already been designed. Arrangements are being made to take care of increasing water requirements and at Gangtze a large impounding reservoir is nearly completed to increase the water supply at that point. Samples of water from different water stations are being analysed with the purpose of discovering the proper treatment for finding suitable water for the locomotive boilers and new water standpipes are being purchased to quicken the time of watering engines.

The Szefang Carpenter Shop costing $170,000 is already under construction. The area of floor space will be about 37,400 sq. ft. and will be well ventilated and lighted.

Owing to the internecine warfare and the part the Shantung militarists have played (and are still playing) therein, the railway authorities have had to face considerable obstacles as other railways have more or less faced, and as an illustration it may be pointed out that recently, upon strong representations being made by the Japanese consular authorities, Marshal Chang Tsung-chang caused representatives to be sent to Pengpu for the purpose of effecting the release of 300 freight cars, 14 passenger cars and 12 locomotives. Goods have been held up on account of such wholesale requisitioning of cars and locomotives and passenger traffic sometimes dislocated but, taking it all in all, the Kiao-Tsi Railway has done fairly well in face of trying circumstances.

Until a few years ago, the Kiao-tsi Railway belonged to the "concessioned" group of railways. However, by agreement concluded at the end of 1922 it passed into Chinese hands after negotiations with Japan initiated at the Washington Conference when Japan claimed she held in Shantung the position formerly held by Germany. Among the conditions on which Japan gave up that position and relinquished the line was an undertaking by the Chinese Government to pay her Yen 40,000,000 in Treasury Notes bearing interest at 6 per cent. and secured on the properties and revenues of the railway, deposits to be made with the Yokohama Specie Bank. It is generally felt in Shantung—and even unofficially admitted by the Japanese,—that the dispatch of Japanese troops to Shantung was for the purpose of finding a pretext to snatch back the Kiao-tsi Railway. Even the London "Times," whose Tokyo correspondent is in close touch with Japanese government officials, hinted as much in a recent article:—

"In our case, as in Japan's, the Chinese government has undertaken definite contractual obligations, from fulfilment of which she cannot excuse herself under any pretext whatsoever. Yet such is the financial, military and moral confusion in China that all likelihood of the obligations being fulfilled is rapidly disappearing.

"How seriously this situation may react on the South Manchuria Railway is shown by the speech recently made by Baron Tanaka, the Japanese Prime Minister. According to the report telegraphed by the Tokyo correspondent of *The Times* on June 14, Baron Tanaka declared that the dispatch of Japanese troops to Tsingtao was an 'inevitable warning.' In Manchuria, with which she had the closest connection, Japan could not tolerate the spread of disorder."

The London paper very cutely suggested that British and Japanese interests in the matter of certain railways in China would be best protected through the means of force.

"To say that this state of affairs is highly regrettable but that it is the unfortunate outcome of revolution, which in turn is an inevitable and overdue civilization to modern conditions is true, but, if left at that, futile.

"The loan agreements whereby China obtained the money to build the railways which she now terms hers have all the character of treaties."

But the Japanese have since thought better of their railway-grabbing scheme in Shantung,—at least for the present,—and have withdrawn their land forces after making a "face-saving" reservation to the effect that in case of necessity arising in the future they would reserve the right of again dispatching troops to protect their interests in Shantung.

It is a wonder that in face of all these obstacles the Kiao-tsi Railway should have functioned at all and the fact that it has functioned so well is a credit to the Chinese managing and operating it. Returned students have often been blamed by the "die-hards" for being "bunglers" but those in the service of the railways have shown their ability to match the efficiency of Western and Japanese engineers.

The immediate needs of the Railway are:—

1. Purchase of 120 steel cars of 40-ton capacity.
2. Purchase of 6 locomotives.
3. Building a short branch line to tap the two new shafts of the Lu-Ta Mining Campany at Tzechuen.
4. Completion of all bridges between Tsingtao and Changtien.

Tsingtao, Oct. 10, 1927.

Ford Assembly Plant at Yokohama to be Enlarged

The construction of the new building for the Ford assembly plant at Yokohama will be commenced in December. The new plant will be located at Koyasu, about two miles from the present factory in Yokohama. The city of Yokohama is now completing a road 72 feet wide to that site. The shipping facilities already provided include a private canal and a railroad siding.

The new plant is expected to be ready for occupancy some time next summer. The additional equipment required to produce the new Ford car will be installed in the present plant within a few months and then moved to the new building later.

The new body is described as looking like a diminutive La Salle, extremely low-slung, with four inches additional wheel base, which makes it look smart and up to date. Rear axle and steering gear assembly still wait the approval of officials but a majority of parts for these two assemblies have been passed on and are already in production.

Smaller parts are also being turned out in large quantities and being stored. But production is going slowly.

Wife of Nationalist Minister Arrested by Tientsin Military Police

Mrs. C. C. Wu, wife of the Nationalist Minister of Foreign Affairs, who was in Tientsin on a visit to her mother, Lady Ho Kai, was arrested by the Tientsin military police October 10 as she was boarding the Japanese vessel *Hwashan Maru*, on which she had intended to return to Shanghai. She was taken by the police to their headquarters, where she is being detained. Her mother and other relatives have made several attempts to see her but without avail. No reason is given for the arrest but it is assumed that she is being held as a hostage.

Reserve Bank Helps to "Keep King George Out of Chicago"

The Federal Reserve Board recently ordered the Reserve Bank of Chicago to reduce its discount rate from four to three and a half per cent. The Chicago Bank claims that the Federal Reserve Board is exceeding its authority, and in defense of its attitude is revising Mayor Thompson's Slogan "Keep King George out of Chicago." The Chicago Reserve Bank alleged that the Federal Reserve Bank is influenced by the Bank of England, and wishes to keep the discount rate low so that England will be able to borrow cheap money in the United States.

American Club Holds Annual Meeting

The annual general meeting of the American Club of Shanghai was held October 7. E. C. Stocker was re-elected president, A. Bassett, vice-president, and H. B. Longfellow, hon. treasurer. The following are the members of the general committee for the ensuing year;—E. C. Stocker, A. Bassett, H. B. Longfellow, S. R. Brown, C. Crow, C. H. French, H. B. Gallop, C. A. Perkes, and C. F. Wolsiffer.

The ballotting committee, as chosen at the meeting, automatically including the general committee, will be augmented by the following:—W. A. Adams, T. C. Britton, J. W. Carney, F. J. Courtney, V. Clair, J. B. Davies, C. S. Franklin, W. J. Gande, W. E. Liebetrau, W. E. O'Hara, and F. E. Vincent.

Chinese Are "Intruders" In Manchuria

BY GYOKUJO HANZAWA

(From the Japanese Diplomatic Review: translation from the Japan Advertiser)

ON the occasion of the appointment of Mr. Jotaro Yamamoto to be President of the South Manchuria Railway, the writer ventures to advance his opinion in respect of Manchuria policy. He thinks it important above all to correct the mistaken idea of the Chinese. The Three Eastern Provinces are in no respect part of Japan's territory, but the Chinese cannot be allowed to hold these regions in their monopoly, for they were the land of the Manchus. The Chinese are illegitimate intruders, who had originally no sovereign power there, and they are not in a position to discuss the status of Manchuria.

The Three Eastern Provinces and adjacent localities should be regarded as regions reserved for the solidarity of all nations and races. The owners are obviously the Manchus and Mongols. During the reign of the Manchu Dynasty the Central Government ceded part of those countries to Russia. Japan captured the ceded districts from the usurper. That struggle was for the freedom of the Chinese and the peaceful pursuit of enterprises by all nations.

It may be said without undue claim that moral sovereignty over Manchuria and Mongolia rests with Japan, whose munificent help will have to be reasonably appreciated by the Chinese. They have been enabled to go there from every part of China for the past twenty years by virtue of Japan's policy.

Japan invested Yen 2,000,000,000 in railways, industry, commerce, culture, and sanitation. The Three Eastern Provinces have been liberated from Russia. The writer would like to ask China what sacrifices and efforts she has made? Have the Chinese not been dependent on this nation for the development of their wealth?

Chinese Disregarded

Opinions relative to Manchuria and Mongolia prevalent among the Chinese and especially the Southern Chinese are not worth while. They have no right to discuss such questions. Japan has reason to call upon the Chinese for reflection but must not alter the fundamental principles of her policy, because it refers to the peace of the Far East. The writer has no idea of what function is entrusted Mr. Yamamoto but is sure that he is not a captive of material zeal, nor will he be content with the prosperous business of the company. He is aware that the discharge of his duties involves the peace of the Far East and that it is a prelude to the solution of all Eastern questions, and further that it has an important bearing upon Japan's international relations.

If we are allowed to be frank, the so-called extensive plan of the South Manchuria Railway Company appears no more comprehensive than the one mapped out by Viscount Goto while he held the first Presidency. The national development of Japan in Manchuria is said to be marvellous, but the fact is that her position is not consolidated. We think that the future is far from being rosy, due partly to constant disturbance in China and partly to the enfeebled vigor of the nation.

S. M. R. Propaganda

The writer draws the attention of Mr. Yamamoto to Japanese propaganda. The Three Eastern Provinces ought to be distinct from China Proper but are being made the object of struggle by the war lords. This is attributable to Chang Tso-lin's ambitious plan for Southern Provinces, but due chiefly to the mistaken propaganda of the South Manchuria Railway Company. It stung the nerves of Chinese statesmen and war lords and encouraged their zeal for material gain. Manchuria is wealthy, but exploitation requires the supply of labor and the investment of capital. The misleading propaganda made ambitious Chinese think that they can easily profit themselves by the earnings of the South Manchuria Railway Company. Hence they covet Manchuria.

Southern Chinese know that Chang Tso-lin is indebted to Japan. Their antagonism against this nation is regarded as an indirect volley against the Mukden war lord. Southerners are strenuously endeavoring to estrange Japan from Chang Tso-lin and to isolate him. They are mistaken, but the South Manchuria Railway Company must answer for their mistakes.

The writer refers to the value of Kirin and Heilung Kiang Provinces. These provinces are no less important than Southern Manchuria. The exploitation of wealth, there will encounter many difficulties. Russia is a force with the Chinese Eastern Railways under her management and her relations with China are intricate. Japan must be discreet so as to avoid collision with the two nations. The Far Eastern policy of

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Russia has conspicuously changed since the war with this nation. The attitude of the Soviet Government and its armed strength are markedly different from the imperialistic policy of the Romanoff Dynasty. It desperately clings to the Chinese Eastern Railways in order to safeguard communications with Vladivostok, but it has no margin of energy for aggressive ambition.

Russia's Attitude

The Soviet attitude in respect of the Taonan-Kan Kan-chi line is suggestive. The dispute will not prove prejudicial to Russo-Japanese intercourse. The exploitation of North Manchuria by the South Manchuria Railway Company will be beneficial for China, Japan and Russia as well as for all races of Asia.

Heilun Kiang Province is most important, for its potentiality in the wealth of agriculture, cattle breeding and forestry is very great, although the development will be an onerous task because of intricate relations. It is hoped that the South Manchuria Railway Company will make liberal investment for the development of communications and the growth of industry. Its enterprises of forestry and coal mines in the past and the business undertaken by the Toyo Takushoku Kaisha with Harbin as center have all been unsuccessful. The failure is due to the absence of reliable information in connection with Northern Manchuria. Southern Manchuria is valuable only as a seat of manufacture, because its future as producer of raw material cannot be called bright. This is why the writer urges the South Manchuria Railway Company to use its capital and technical skill for the development of Northern Manchuria.

Hankow British Paper Object of Strike

The Chinese employees of the *Central China Post*, a British newspaper at Hankow, went on strike about two weeks ago and the paper has not been appearing. The *Central China Post* has for years been the most unfair critic of the Chinese of any newspaper published in the English language in China, and its present troubles are partly due to that fact, coupled with recent criticisms of the Nationalist government. The members of the printers union of Wuhan have published a statement of their position in the matter of the present strike, and in addition to stressing the matter of the articles criticising the Nationalist government which were published recently, they state that they were paid in the depreciated notes. One of the terms which they insist on for returning to work is that the paper "shall apologize to the printers' union for all the past hostile acts towards the workers as well as towards the Nationalist government."

Chinese Republic Observes Sixteenth Anniversary

The sixteenth anniversary of the Chinese Republic was observed October 10 in Shanghai with the enthusiasm usually shown on this annual occasion. It corresponds to the Fourth of July in the United States. Flags and bunting were profusely displayed in all parts of the Settlement, and in the surrounding Chinese district there were numerous lantern processions and fusilades of firecrackers.

Shops, business houses and banks, both Chinese and foreign, were generally closed for the day. At the Bureau of Foreign Affairs a reception was held, at which General Pei Chung-hsi, Garrison commander of Shanghai, General Chang Tin-fan, mayor of Greater Shanghai, and Quo Tai-chi, Commissioner of Foreign Affairs, were hosts to numerous Chinese officials and foreign representatives of other nations. Consular officials and foreign members of the Chinese Customs and Postal services were in attendance.

At the Woosung forts a salute of twenty guns was fired, the neighboring populace replying with profuse pyrotechnics.

(*Continued from page 188*)

view appearing in the *North-China Star*, the American paper in Tientsin, Dr. Chang said that while in Shanghai he saw the walls plastered with posters demanding the overthrow of the educational "dictator" Chu Chin-nu and in Hangchow there were posters demanding the explusion of six "animals," Dr. Chang Mon-lin, Shao Yuan-tso, Ma Hsu-lun and others, all of which he considered derogatory to the dignity of officials and contrary to the principles of orderly government. In concluding the interview he said, "While the Chinese people are not inferior to others in intelligence and ability, they had yet to learn organization, and that the legitimate demands of the Chinese people would have a greater chance of acceptance by the Powers if they would devote themselves to the creation of an orderly government instead of wasting their time in shouting various anti-this or anti-that slogans."

Men and Events

Dr. J. T. Proctor of the Baptist Mission has returned to Shanghai from a trip to Ningpo.

Mr. and Mrs. John L. Garner of Los Angeles are visiting in Shanghai on their way around the world.

Judge Daniel R. Williams is in Shanghai on his way back to San Francisco from a business trip to Manila.

The Oculists Institute Co. of Shanghai, better known as O. I. C., has issued a 172-page booklet of testimonials from its customers.

Lux in Tenebris is the title of a new monthly journal which is being published by the Shanghai Tutorial and Technical Institute.

Congressman Ross A. Collins, of Mississippi, together with his family, arrived in Shanghai end of last week after a tour of North China.

Sir Frederick Whyte made an address on "China and India—Some Political Contrasts" at the Union Club of China tiffin October 12.

Lansing Hoyt, president of the Yangtsze Rapid Steamship company, arrived back in Shanghai during the week from a visit to the United States.

Norman V. Carlson, a recent graduate of the University of California, has arrived in Shanghai to join the staff of the Dollar Steamship Company.

Ralph K. Hykes of the Standard Oil Company and A. T. Gillespie, importer and exporter, returned to Shanghai by the *President Jackson* October 7.

Major A. H. Hilton-Johnson, Commissioner General of the International Settlement of Shanghai, departed for Singapore during the week on a business mission.

C. J. Spiker, American Vice Consul in Shanghai, returned to Shanghai during the week after a month's vacation in the Western Hills and other parts of north China.

Prof. Charles Kingsley Webster made an address at the tiffin of the Pan-Pacific Association at the Union Club, Shanghai, October 11. Dr. Huh Shih presided.

Lee Edward Stevens of the University of Chicago was in Shanghai a few days last week on his way to Manila to join the staff of the Pacific Commercial Company.

General Liu-sz, newly appointed Commander of the First Army, made a formal call upon General Duncan, in command of the British Forces in Shanghai, October 6.

Mr. and Mrs. J. B. Katz returned to Shanghai end of last week from a trip to the United States. Mr. Katz is manager of the Commercial Express and Storage Company.

George J. McCarthy, general passenger agent of the Robert Dollar Steamship lines in Shanghai, is recovering at his home after a severe illness for which he was treated at the Country Hospital.

A. Krisel, member of the American bar and manager of the United Artists' Pictures in Shanghai, and Mr. and Mrs. Barnes Moss returned to Shanghai, by the s.s. *President Jackson* October 7.

G. O. Tuck, representing the Tobacco Trading Corporation, which has large factories in Kentucky and Virginia, is in Shanghai at present looking up the prospects for the expansion of the tobacco leaf trade in the Far East.

Sir Percival Phillips, special correspondent of the London *Daily Mail*, departed for Singapore during the week to gather material for articles on the Straits Settlements and Java. He expects to return to Shanghai middle of next month.

News has been received in Shanghai of the death on August 24 at Glen Ellyn, Ill., of Mary E. Lockwood, mother of William W. Lockwood of the National Committee, Y. M. C. A. Mrs. Lockwood was 80 years of age at the time of her death.

The fifteenth anniversary of the opening of the Institution for the Chinese Blind will be celebrated October 22 on the premises, 4 Edinburgh road, Shanghai. The fiftieth birthday of the superintendent, Geo. B. Fryer, will be celebrated at the same time.

Urban G. Frondorf, who is the manager of the printing equipment supply concern, the Ault and Wiborg company, arrived in Shanghai with his family October 7 on the s.s. *President Jackson*.

Dr. Herbert P. Ramsey, formerly connected with the hospital and medical department of Soochow University, has opened an office for the practice of medicine in Washington, D. C. where he will specialize in gynecology and obstretics. Dr. Ramsey's address is c/o The Rochambeau, Washington, D. C.

C. L. Seitz, an American, has been appointed a member of the Municipal Economy Committee, according to an announcement in the *Municipal Gazette*, published by the Shanghai

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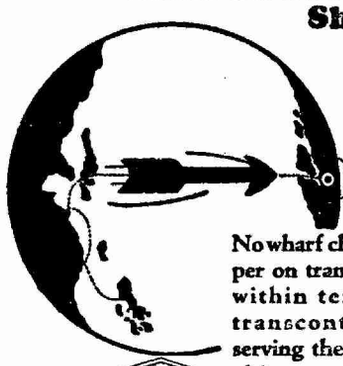

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Municipal Council. Mr. Seitz is manager of the China Export & Import Lumber Co., a British-registered concern.

Chu Chao-hsin, who represented the Peking government at the League of Nations, and resigned to become Vice Minister of Foreign Affairs in the Nanking government, arrived in Shanghai end of last week from Europe, after stopping off at Canton.

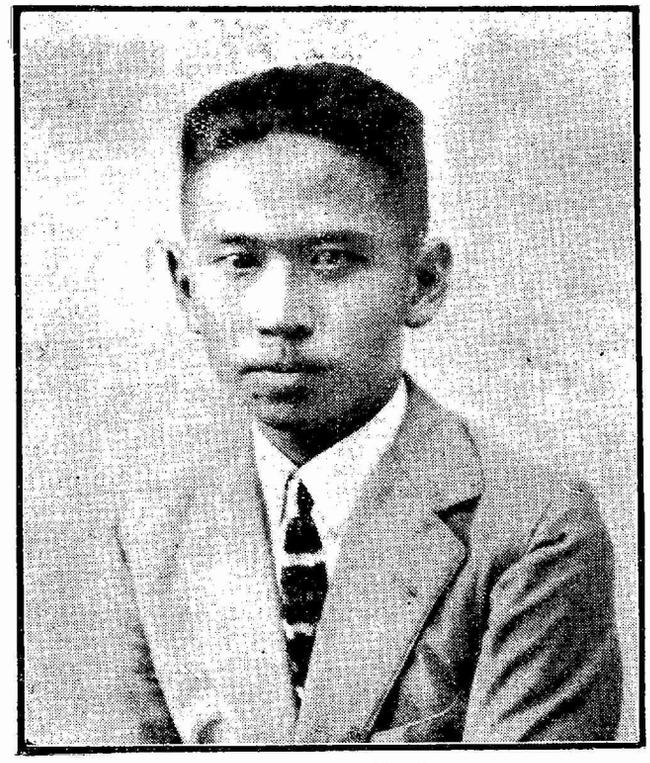
The death occurred the latter part of last week of Marina Talbot, a member of the American school of Shanghai, and daughter of Roy M. Talbot, in the Chinese Customs service in Manchuria. The funeral took place Sunday October 9, the service being conducted by Dr. James V. Latimer of the Community church. Death was due to typhoid fever contracted on the steamer during the voyage from the north.

The trial commenced at the U. S. Court for China October 12, of K. M. Crawley who is charged on the complaint of the Szechuen military authorities with an alleged fraud involving a sum of $73,200. Prominently connected with the case is Elly Widler, Swiss citizen, who came into prominence lately as a vendor of bullet-proof vests.

The September issue of the *News Bulletin, Institute of Pacific Relations* prints addresses made at the meeting held in Hawaii last Summer by Judge F. C. Fisher, former Justice of the Supreme Court of the Philippines, and Ray Lyman Wilbur, president of Stanford University, California. The subject of the former's address was "Present Day Problems of the Philippines" and of the latter's, "An Interpretaion of America in Pacific Relations."

Miss Yvette Frost of Yokohama has arrived in Shanghai and is shortly to be married to Peter Muraour who recently has been appointed manager of the American Club in Shanghai. Mr. Muraour was formerly manager of the Tent Hotel in Yokohama, which was erected following the earthquake in 1923. W. P. Willson who has been manager of the American Club, recently resigned and is shortly departing for the United States traveling by way of Europe.

Who's Who in China



Mr. Yu Tinn Hugh
余天休
Yu Tien Hsu

Born in Canton, China, 1897; early education in China; spent 12 years in America travelling and studying from 1908 to 1920; LL. B. from Valparaiso University (Ind.) 1915: A. B., University of Maine 1917; A. M., Clark University (Worcester, Mass.) 1918: Ph. D., Clark University, 1920; Scholar in Sociology, Clark University, 1917-18; Fellow in Sociology, Clark University, 1918-20; Lecturer in Sociology, National University of Peking, 1920-21; Professor of Sociology, National Normal University, Peking, 1921-24; Non-resident Lecturer in Sociology, National University of Law and Politics, Peking, 1922-24; President, Eastern University, Peking, 1924; Attorney and Counselor at Law, Peking, 1924; President, Chinese Sociological Society, 1921-26; Founder and Editor of Chinese Journal of Sociology, 1921-25; President, the Social Weekly Publishing Company 1922-1924; President, the Chinese Frontier Association, 1922-26; Adviser, the Overseas Chinese Bureau of the Peking Government, 1926; Author: Progress and Social Control in China, the Social Aim of Education, Introduction to Sociology (all in Chinese), and various magazine articles both in English and Chinese. At present Mr. Yu is traveling in China organizing branches of the Chinese Frontier Association, the purpose of which is to encourage Chinese emigration to Manchuria and Mongolia and development of those regions. Address: Eastern University, Peking, China.

Engagement Announced of Miss Soong to General Chiang

Madame Soong, who is a sister of Mrs. Sun Yat-sen, arrived back in Shanghai October 10 from a vacation in Japan, and immediately on her arrival announced the engagement of her youngest daughter, Miss Mayling Soong, to General Chiang Kai-shek. Gen. Chiang remains in Japan for the present.

The True Story of Ah Q

A character sketch of a Chinese rustic by Lu-hsun, foremost scholar and writer of the new literary movement in China. "Ah Q" is the first noteworthy creation of the new literature. This piquant, ever-animated sketch delights us with the quaint whims and utterances of villagers. The English translation is admirably done by G. K. Leung. $1.20

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Nationalists Will Observe Provisions of Trademark Laws

One of the questions that has confronted American, and other foreign merchants in China, as a result of the increasing influence of the Nationalist government, has been the validity of their trade-mark registrations, which were filed at Peking in accordance with the Regulations promulgated in 1923.

The matter was recently raised in a letter written by N. F. Allman, former Assessor of the Mixed Court in Shanghai, on behalf of a number of American firms, in a letter to the Ministry of Justice. The matter at issue was whether trade-marks would be protected as part of the general policy of the Nationalist government to observe all enactments from Peking which are of a non-political character. The order referred to is as follows:

Nationalist Government Ministry of Justice. Order No. 20

This order is issued pursuant to despatch number 277 dated August 15, 1927 received from the Secretariat of the Nationalist Government transmitting an order of the Government dated August 11, 1927, as follows:

"The Nationalist Government needs immediately all kinds of laws and ordinances, and pending the promulgation thereof, all those substantive laws, codes of procedure, and appurtenant rules and orders which have been promulgated or are in effect are continued in force temporarily; except where inconsistent with the Kuomintang aims and principles or where in conflict with the laws and orders of the Nationalist Government.

"There are two interdependent things of immediate importance in the application of the laws, viz., the establishment of a supreme court, and the codification of the laws, one, an organ of last resort in litigation and to expain and unify the law, and the other to make and promulgate laws to keep peace and order. The Ministry of Justice is hereby ordered to make preparations accordingly and is charged with the responsibility of carrying out the foregoing so that the law may be observed."

Having received said order as copied above, it is transmitted for the attention and guidance of those concerned. This Ministry has already prepared and submitted regulations for the organization and establishment of a Supreme Court.

This Ministry is now considering the codification of the laws and as soon as an adequate plan is prepared the same will be submitted to the Nationalist Government for approval. After approval said laws will be promulgated and published. In addition to other notifications this notice is hereby dispatched for attention. Those concerned will notify their subordinates accordingly. By order

WONG CHUNG HUI,
Minister of Justice.

August 29, 1927.

The reply received by Mr. Allman from the Nationalist authorities was that trade marks would be protected under the order.

Plans to Improve Navigation at Tientsin

In view of the serious situation to the port of Tientsin, caused by the silting in the Hai Ho (river), the Chinese Government called a special conference in Peking recently to devise ways and means to improve the existing conditions. The conference was attended by representatives of the Chihli River Commission, the Hai Ho Conservancy Board, the Ministry of Interior, the Ministry of Chihli River Bureau, etc. In the report submitted by the representative of the Chihli River Commission there is a proposal for a palliative scheme, providing as follows:

1. To repair and strengthen the Pei Yun Ho dykes from Suchwang down so as to enable the Pei Yun Ho to carry the maximum possible discharge required to produce the most advantageous effect.
2. To strengthen and protect the dykes around the existing Yung Tiug Ho delta so as to guard against any dyke-breaks which would render the new works useless.
3. To provide a cheap regulating works at Lung Fung Chiao and to close off the north outlet of the Yung Ting Ho at Ta Tse Hsin Chwang in order to stop any back-flow into the delta.
4. To place the operation of all the regulating works, including those at Suchwang, Tu Mun Lou, Hsin Kai Ho, and Machang, under one control so that there will be proper co-ordination, and
5. To urge the carrying out of the Chihli River Commission's scheme of providing an outlet for the Ching Lung Wan Ho.

Pending the carrying out of the above, the Hai Ho Conservancy Board is making full use of the dredging plant at its disposal, the rest of the work being left to the action of the tides and fresh water discharge from above.

From the Chinese Press

(News items pertaining to Chinese politics appearing under this heading, are taken mostly from the daily reports of the Kuo Wen (independent), Kuo Min (Nanking official) Nationalist (Wu-Han official) and Toho (Japanese) news agencies, and from translations of articles appearing in the local Chinese press).

October 7—Organization known as "Society to Hasten Peace" formed in Peking for purpose of trying to bring about compromise between Fengtien and Nationalists—Shansi strength on Kin-Han Railway reported as 60,000 while Chang Tso-ling claims to have 90,000 on same sector; Chang Tso-ling transfers Heilungkiang troops from Manchuria to Peking—Fengtien 'spokesman' issues interview through *Toho* stating that Shansi's attack on Fengtien was a complete surprise, that Chang Tso-ling thought Yen Hsi-shan was going to ally himself with Fengtien against Feng Yu-hsiang—Sun Chuan-fang issues circular telegram announcing allegiance to Fengtien-Gen. Yu chen, inspector-general of Fengtien army and commander of 10,000 troops arrested at Tatung and escorted to Taiyuanfu, capital of Shansi—Shansi troops enter Kalgan, unfurl Nationalist banner and put up posters urging support of Sun Yat Yat-sen principles and expulsion of Chang Tso-ling—Situation tense in Peking with city gates closed and all railway cars commandeered by military—Japanese authorities deny report they intend to increase Peking garrison—Cantonese general Wang Chun takes position as defense commissioner at Swatow—Peking report states Shansi captured Hsuanho—*Toho* report from Nanking states that Nationalists have decided to recognize the Salt Administration, which Nanking Government previously attempted to confiscate—Dr. C. C. Wu, Minister of Foreign Affairs of Nationalist Government sends strong note to Japanese Minister Yoshizawa at Peking demanding Japan's intentions in respect to Manchuria and Inner Mongolia—*Kuo Min* report states that Fengtien tactics are to establish line at Kao-pei-tien in order to draw Shansi forces into Chihli, but that Shansi cavalry upset Fengtien plans by surprise cavalry attack—Nanking Military Council sends telegrams to Yen Hsi-shan, Feng Yu-hsiang and Tang Shen-tse urging cooperative action against Chang Tso-ling—Yen Hsi-shan issues statement that his campaign is directed against Chang Tso-ling personally—Nanking Government issues order for arrest of Gen. Chin Yun-ao, who rebelled against Feng Yu-hsiang recently in Honan—Shanghai-Woosung Special Municipality issues order that in future all rentals must be paid in accordance with the "sun-calendar" instead of the "moon" calendar as in the past—Fengtien claims to still be in possession of Paotingfu—Gen. Ho Yin-chin, commander of 1st army petitions government for release, but government refuses request—Chu Chao-hsin, formerly Chinese delegate to League arrives in Shanghai to become vice-minister of foreign affairs of Nationalist Government—Gen. Chu Yu-puh, tupan of Chihli arrives at Tsinanfu to confer with Chang Chung-chang—Serious banditry develops in eastern Shantung in Tsingtao area—Delegate from Gen. Yang Sen reported to have arrived at Nanking—Wu Ching, vice-minister of foreign affairs of Peking Government informs newspaper correspondents that Fengtien will be able to resist the attack from the Nationalists and that Fengtien has more men and munitions—Gen. Chang Tso-hsiang, commander of troops under Chang Tso-ling placed in charge of defense at Nankow Pass north of Peking—Reported Nationalists planning tax on kerosene—Wang Ching-wei sends message to Tan Yen-kai assuring him of his loyalty to the Kuomintang; reported that Wang may shortly go to Nanking to join government—Peking

(Continued on page VI)

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New Books of Interest in the Far East

Christianity and Buddhism

Was Jesus Influenced by Buddhism?—Dwight Goddard. Thetford, Vermont, U. S. A. (To be obtained free on application to the author)

In order to give an affirmative answer to the question in the title the author of this book takes some highly controversial conjectures and converts them into reasonable certainties. In the first place, he has evidently decided that John and Jesus belonged to the sect of the Essenes. In the second place, he is apparently equally sure that non-Jewish elements—sometimes called "foreign"—in the ideas and the practices of the Essenes were due to the Buddhist influence which probably filtered through the thought of that day and locality.

He aims of course to show that synthetic religion can be built up out of Christianity and Buddhism on the basis of their resemblances. That there are resemblances between these two systems of religious thought he makes quite clear. To get rid, however, of the ideas in Christianity which are discordant with Buddhism he tries to discredit the founder of Christianity in connection therewith. This he achieves by analyzing the personality of Jesus on the basis of modern psychology—mainly Freudian—and decides that owing to youthful suppressions and untoward experiences his mind was unbalanced to some extent. As a result, while he still holds that Jesus is the world's hope (page 181) because of his faith and trust in the power of love, and the freedom of his ethical ideals (page 195) he yet present a picture of Christ as partly sane and partly insane. That is, he gets rid of those ideas in Christianity which cannot be put into this synthetic religion by proving that they came out of the unbalanced part of the mind of the founder of Christianity.

One wonders how, under these circumstances, Christians can still follow Christ, or Buddhists want to adopt him. In spite of the fact that he grants to Christ an unusually clear faculty of spiritual intuition (page 165), this method of discrediting Christ in regard to those aspects of Christianity with which he does not agree, undermines all the mutual understanding that his sympathetic comparative study of Buddhism and Christianity might push forward. He charges Christians with being influenced by the will-to-believe. His treatment of Christ seems to illustrate this very same thing to a pronounced degree. On the whole, therefore, the book is quite unconvincing as to its main thesis, though it includes much interesting material on the Essenes and illuminating comments on the deeper and worthwhile aspects of Buddhism.

F. R.

Shanghai, Oct. 8, 1927

The Fair Sex of Nippon

The New Japanese Womanhood, by Allen K. Faust New York: George H. Doran Company.

The Japanese woman is known to the world for her tenderness, faithfulness, obedience, hospitality and sentimentalism. But few understand her spirit of great self-sacrifice, patriotism, and magnanimity. Lafcadio Hearn understood Japan through his wife, and he is never tired of singing of the womanhood of Japan. She has ever been a great force in the life of Japan, and though suffering under considerable social and legal disadvantages she has contributed considerably to the making of the Japan of to-day. Without her help and co-operation the Japanese victory of Japan over Russia would have been a much more difficult task. She has no color or race prejudice and her sympathy is simply boundless. Her disregard to life under the call of love or duty is proverbial.

To the credit of both the man and woman of Japan the Japanese woman has been ahead of her sisters of Asia in art, education, and freedom. Her contribution to the culture of Japan is so great that it is hard to estimate it. Nearly one thousand years ago, Murasaki Shikebu, a court lady of Kyoto, wrote a classical novel which is one of the best the world has ever seen. She has not only kept the art of music and painting alive, but developed it to a high standard.

There are about four million girls in the elementary schools and about 130,000 students in the 455 high schools for girls. The first branch to be noted in the curriculum as fixed by the Department of Education, is that of morals, which is taught throughout the whole course of four years. Chinese classics and English are also taught in High Schools and natural science, which is one of the compulsory subjects includes botany, zoology, physics chemistry, physiology, and hygiene. "There is no doubt that more art is taught in the Japanese schools than in the schools of any other country."

CHINA TODAY: POLITICAL

By

Dr. Stanley K. Hornbeck

Lecturer on History of the Far East at Harvard University

This booklet contains in its 500 pages an analysis and consideration of the present situation in China under the general chapter headings of:

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THE CHINA WEEKLY REVIEW

4, Avenue Edward VII

Shanghai.

The modern industrial system is telling heavily on the morals and health of the Japanese woman. There are some 80,000 women engaged in coal mines in Japan, a fact which is certainly discreditable to the society of Japan. The so-called "dormitory" system in Japanese industry is far from satisfactory. "It is rather in the smaller dormitories that one finds overcrowding, the bedding used, day and night, in common, unaired and thus becoming the fertile bearer of disease of various kinds". The food given is insufficient and poor. Equally disastrous are the influences on their morals.

A great curse of Japanese society is the Geisha institution. The Geisha is pretty, smiling, good natured, doll-like and a trained entertainer. But her lot is full of anxieties, and tears. She is little better than a slave, victim of a crying social injustice. She is a rival of the wife and a breaker of the home. There are 75,000 geishas in Japan, on whom the men spend some 250,000,000 yen a year.

The Japanese woman is slowly gaining more and more political rights. She can now take part in political meetings, a right which was denied to her up till a few years ago. There is an active organization, "Women's Suffrage Federation" with over 20,000 members. This Federation was successful in producing a suffragette bill before the Imperial Diet. There are 65,000 women's organizations in Japan. "Basing one's judgment on the progress Japanese women have made during the past twenty years, it is easily within the bounds of possibility that they will have the vote in 1950".

Some three millions of girls and women are engaged in public service, commercial and professional walks of life. One half of the 25,000 elementary school teachers are women; about 4,000 women teach in the high schools. There are about 35,000 nurses and 7,000 women doctors in Japan. "Of the Japanese nurses it can be said that they are exceptionally efficient."

The following remarks of the author merit serious consideration:—

"The very surest way to produce a national calamity would be to give instantaneously to Japanese women full equality with men in all relationships of life. The women would be the chief sufferers. They must pass through a preparatory course before they can graduate into full equality."

This book is an illuminating work based on profound scholarship and deep investigations, and a note of sympathy adorns the book throughout.

H. P. SHASTRI.

Latest New York Stock Exchange Quotations

Oct. 2, Supplied by J. E. Swan & Co. Tel. C. 6615 6619.
Market Closed Irragular Business Done 2,000,000

STOCK	Previous Price	Latest Price
Allied Chemical & Dye (Common)	159	157
American Can (Common)	64⅞	63⅝
American Radiator (Common)	138	135½
Amer. Smelting & Refining (Common)	170	168¼
American Telephone & Tel. (Common)	181⅜	184¼
American Tobacco "B"	151	150¼
Baldwin Locomotive Co. (Common)	251	251
Bethlehem Steel (Common)	55⅛	54⅝
Bethlehem Steel, Pfd. 7%	116½	116¼
Baltimore & Ohio (Common)	122	121
Canada Dry Ginger Ale (Common)	50¼	49¼
Cheasapeake & Ohio (Common)	210½	206
Eastman Kodak Co. (Common)	167⅜	166⅜
General Baking "A"	72⅞	73
General Electric (Common)	137½	134⅞
General Motors (Common)	235⅞	256¾
Goodrich (B.F.) Co. (Common)	79	79
International Match, Pfd.	88½	90¼
International Nickel (Common)	167½	66¾
Ligget & Myers, Class "B"	124	124¾
Mack Trucks (Common)	111	132⅛
New York Central (Common)	167	164¼
Packard Motor Car Co. (Common)	47⅞	47⅞
Phillips Petroleum (Common)	37⅛	38⅛
Pacific Gas & Electric	43	42¾
Radio Corp. of America (Common)	65½	67¼
Reynolds Tobacco, Class "B"	148	148
Standard Gas & Electric (Common)	63⅞	62½
Schulte Retail Stores (Common)	mutilated	51¾
Southern Railway (Common)	134½	134¼
Standard Oil of California	53	mutilated
" " of New Jersey	39¼	39⅜
" " of New York	30⅝	30¾
" " of Indiana	71¼	71¼
Texas Corporation (Common)	50	50⅛
Tobacco Products A	110	110
Union Carbide	133½	130½
Union Pacific RR. (Common)	193	190¾
United Fruit	no sale	142¼
United Drug (Common)	181½	190
United States Rubber (Common)	63¼	52
United States Realty & Imp.	62¼	62½

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity	Sale Price Sept. 29th	Sale Price Oct. 6th	Approx. Yield to Maturity Oct. 6th
Czecho Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108½	108¾	7.25
Czecho Slovak Govt. Ext. S. F. Loan.....	7½	Oct. 1, 1945	106	106	6.90
Repaolic Chile S.F. Loan	7	Nov. 1, 1942	101⅜	101½	6.85
Argentine Ext. S.F. Loan	6	May. 1, 1960	99½	99½	6.05
Italy, Ext. S. F. Loan..	7	Dec. 1, 1951	96¾	99¼	7.05
Austrian S. F. G. Loan..	7	June 1, 1943	103⅜	104	6.60
French Ext. S. F. Loan	8	Sept. 15, 1945	110⅜	110⅞	6.95
Japanese Govt. (£).....	5	1907/1947	83⅜	83⅝	6.50
German Govt. S. F. Loan	7	Oct. 15, 1949	106¾	107	6.40
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	102	101⅞	6.85
Saxon Public Works Inc. 1st Mtge. S. F. Loan ..	7	Feb. 1, 1945	102¼	102½	6.80
German G.E.C.S.F. Loan	7	Jan. 15, 1945	105	104½	6.55
Finnish Guaranteed Municipalities S. F. Loan...	6½	Oct. 1, 1954	99½	99⅞	6.55
Chicago Rapid Transit 1st. & Refunding Mtge.	6½	July 1, 1944	99	99	6.60
Northern Ohio Power & Light Co. Debentures.	6½	Jan. 1, 1941	100	100	6.50
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	101¼	101½	7.35
Camaguey Sugar Co. 1st. Mtge. S. F. Loan.....	7	Oct. 15, 1942	100¼ (Bid)	100½	6.95
Pennsylvania Dixie Cement Cumulative...	7	Pfd. Stock	94	94	7.45
Victor Talking Machine Company Cum, Prior	7	Pfd. Stock	98	98	7.14
Willys Overland Co.....	7	Pfd. Stock	93½	95	7.37
The National City Bank of New York.....	20	Stock	720	735	2.72
Republic of Peru, Ext. Secured S. F. Loan...	7½	Sept. 1, 1956	103⅜	103⅞	7.20

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

Shanghai Exchange for Week Ending Wednesday, October 12, 1927

By Maitland, Fearon and Brand

Exchange:—Prices of Bar Silver in London during the paot week have moved within very narrow limits, today's quotation of 25 1/16 d. ready and forward is the same as that ruling this day last week. The official T/T rate on London remains unchanged @ 2/6d. The exchange market locally has deen very quiet and inactive with on special feature attaching to it The New York/London has continued to improve and today's quotation is 487⅞. The exchange market closes quiet with the following rates for Gold remittances, near delivery, available: T/Tl London 2/6 1/16 d., New York 61 1/16, Yen 75 15/16, 4 m/s export paper can be placed; Sterlidg 2/7 1/16 d., G. $ 26⅞

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 66,198,000 an increase of Tls. 226 000

Chinese and Mexican Dollars..... $ 76,120,000 a decrease of $ 840,000

Estimated value Tls. 121,004,000 as against Tls. 131,077,000 held at this time last year.

	Average rates for Oct.	Thursday Oct. 6	Friday Oct. 7th	Satur. Oct. 8th	Monday Oct. 10	Tuesday Oct. 11	Wednesday Oct. 12
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*		*opening closing*	*opening closing*
T/T London	2/5.830	2/6	2/6	2/6		2/6	2/6
D/Dfts "	—	2/6 1/16	2/6 1/16	2/6 1/16		2/6 1/16	2/6 1/16
4 m/s "	—	2/6¼	2/6¼	2/6¼		2/6¼	2/6¼
T/T India	165.990	166⅜	166⅜	166⅜		166⅜	167
T/T France	1,540,600	1550	1550	1550		1550	1550
T/T N. Y.	60.410	60⅜	60⅜	60⅜		60⅜	60⅜
T/T Demand		61	61	61		61	61
T/T Hamburg		255¼	255¼	255¼		255¼	255¼
T/T H'kong	79.815	79½	79½	79⅝		79⅝	79⅝
T/T Japan	77.495	76½	76⅜	76⅝		76⅝	76⅝
T/T Batavia	150.400	151¼	151¼	151¼		151¼	151¼
T/T Straits	93.260	92⅝	92¾	92¾		92⅝	92⅝
Bk's buying rates / 4 m/s B/L. Cred. D/A	2/7. 830	2/8	2/8	2. 8		2/8	2/8
4 m/s " D/P	—	2/8⅛	2/8⅛	2/8⅛		2/8⅛	2/8⅛
6 m/s " B/L Cred D/A	2/8.1425	2/8 5/16	2/8 5/16	2/8 5/16		2/8 5/16	2/8 5/16
4 m/s B/F Cred D/A or D/P	1,670.600	1680	1680	1680		1680	1680
4 m/s N.Y.Lc.	63.910	64¼	64⅜	64⅜		64¼	64⅜
4 m/s " Docs	—	64⅝	64⅝	64⅝		64⅝	64⅝

BANK HOLIDAY

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	Oct. 6	Oct. 7	Oct. 8	Oct. 10	Oct. 11	Oct. 12
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	25⅛	25⅛	25 1/16		25 1/16	25 1/16
**New York Price of Bar Silver per oz. (Pure)	G. $.55⅝	G. $. 55½	G. $. 55⅝		G. $. 55¼	G. $.55⅜
Shanghai Price of Gold Bars (weight Tls. 10 (Changping) 978 touch).....	Tls. 372.90	Tls. 370.50	Tls. 368.10		Tls. 372	Tls. 372
Shanghai Silver Bars (weight Tls. 100(C.)999 touch)	110.90	110.90	110.90		110.90	110.90
Shanghai Mexican Dollars per $100.....	73.2	73.1	72.9375		73.	72.875
Native Bank Rate of Interest (Call money).....	3%	3%	3%		3%	3½%
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

HOLIDAY

Bank of England rate of discount	4½%	London Paris on	T/T 123.99
Bank of France rate of discount	5%	New York on London	T/T 487⅛
London open Market of Dis. 3 m/s	4⅝%	Bombay on London	T/T 1/5 9/16
" 4 "	4⅝%	Hongkong on London	T/T 1/11⅝
" 6 "	4⅝%	Kobe on London	T/T 1/11